



Daily Report—

China

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General

Further Comments From Foreign Ministry Spokesman

Views Officials, Li's Visit

OW2206115295 *Beijing Central People's Radio Network in Mandarin 1040 GMT 22 Jun 95*

[FBIS Translated Text] Foreign Ministry spokesman Chen Jian announced today that, at the invitation of President Martti Ahtisaari, president of the Republic of Finland; Arpad Goncz, president of the Republic of Hungary; and Roman Herzog, president of the Federal Republic of Germany, President Jiang Zemin will pay a state visit to these three countries from 5 through 15 July.

He added that, at President Jiang Zemin's invitation, Nouhak Phoumsavan, president of the People's Democratic Republic of Laos, will pay a state visit to China from 27 June through 6 July.

The spokesman also answered reporters' questions.

A reporter asked: The U.S. side has expressed the hope that arrangements can be made for a high-level Sino-U.S. meeting. What is the Chinese side's response to this?

The spokesman said: On the so-called high-level meeting which the U.S. side has proposed to the Chinese side, everyone knows that the serious difficulties [yan zhong kun nan] now confronting the Sino-U.S. relations are totally caused by the U.S. Government's approval for Li Denghui [Li Teng-hui] to visit the United States. The U.S. side still upholds its erroneous position [cuo wu li chang] and has not taken any practical steps to remove the bad consequences [e lie hou guo] caused by Li Denghui's U.S. visit. The United States can in no way eliminate the seriousness of such a grave matter simply by some empty expressions, or by making a gesture, as it has intended.

Views Hong Kong, Taiwan

HK2206125395 *Hong Kong AFP in English 1045 GMT 22 Jun 95*

[FBIS Transcribed Text] Beijing, June 22 (AFP) — China began a three-day meeting on Hong Kong's future on Thursday by declaring that its relations with Taiwan after 1997 will be a matter exclusively for Beijing to decide. Foreign Minister Qian Qichen, chairing a plenary meeting of the Preliminary Working Committee in Beijing, ruled out any special relationship between Hong Kong and Taiwan after the British colony's change of sovereignty.

It shall be the Chinese government's responsibility to deal with Hong Kong-Taiwan relations, Qian said, adding that air and sea agreements would have to be hammered out to "mutual benefit." Taiwanese would be welcome to become permanent residents of Hong Kong after 1997, but they would have to abide by the Basic Law, China's mini-constitution for the territory, added Qian, who was quoted in Hong Kong press reports.

China has regarded Taiwan as a renegade province since the Nationalists fled to the island during a civil war with Mao Zedong's communists in 1949. Taipei, in turn, sees itself as the sole legitimate ruler of all China. Hong Kong, a British colony for more than 150 years, is by far the most important entrepot for trade, investment and travel between Taiwan and mainland China, in the absence of direct contacts across the Taiwan Strait. It hosts a number of Taiwan government organizations posing as unofficial bodies, with the foreign ministry running a visa office under the guise of a travel agency. The Preliminary Working Committee was set up by Beijing in 1993 to make preparations for Hong Kong's change of sovereignty, following a break-down in relations with Britain over Governor Chris Patten's democratic reforms.

Chinese Foreign Ministry spokesman Chen Jian said that while the principles put forward by Qian on relations between Taiwan and Hong Kong after 1997 were made "in the light of new problems and new issues of the current time," they remained "consistent" with those set out by Beijing in 1984. That was the year Britain and China signed a treaty sealing Hong Kong's return to the mainland on July 1, 1997 as a "special administrative region" with a promised high degree of autonomy from Beijing.

Chen was answering questions by Taiwanese journalists, who expressed concern that the new guidelines revealed plans for stricter supervision of ties between Taiwan and Hong Kong despite an overall easing in cross-strait relations over the past decade.

"There is no need for the people of Taiwan to have any worries" about the new guidelines, he said. "What they should care about is how to cope with the Taiwanese authorities' attempt to create two Chinas or one China, one Taiwan on the international scene and the serious consequences arising therefrom," he said, adding that Taipei's policy was "not in the interests of the Taiwanese people."

Chen was referring to this month's "private" visits to the United States by Taiwan President Li Teng-hui, which Beijing has condemned as an attempt by the island to promote de facto independence from China. Beijing maintains that the visits contravene

Pakistan Denies Receiving Missile Parts

OW2206125295 *Beijing XINHUA in English*
1236 GMT 22 Jun 95

[FBIS Transcribed Text] Islamabad, June 22 (XINHUA) — Pakistan today categorically denied having received any components of M-11 missile from China.

"The Americans have not been able to come up with any evidence in this regard," said a Foreign Office Spokesman at the weekly briefing here today when his attention was drawn to a story in the New York Times alleging that Pakistan had received some components of M-11 missiles from China.

The spokesman further said that Pakistan did not violate the Missile Technology Control Regime.

Central Eurasia**Li Peng Continues Central Eurasian Visit****To Sign Bridge Deal in Moscow**

HK2306065595 *Hong Kong AFP in English*
0608 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (AFP) — Chinese Premier Li Peng will sign an agreement in Moscow next week to build a bridge on the Amur River, which marks the northeastern part of the huge Sino-Russian frontier, Russian sources said here Friday.

Li is expected in Moscow on Sunday for a three-day visit that is also expected to include a series of agreements on education, the environment and the fight against crime, they said.

The sources said the bridge agreement would follow up a preliminary accord drawn up in March, culminating in years of discussions between the two neighbours.

The bridge would link the two frontier towns of Heihe, in the Chinese province of Heilongjiang, and Blagoveschensk, in the Russian Far East, a region that saw fierce clashes between the Red Army and the People's Liberation Army (PLA) in 1969 that left several hundred dead.

The bridge scheme provides for a road and rail link, the sources said, adding that they had no immediate details as to the cost of the project or the timetable.

Moscow and Beijing have been at odds for more than 30 years over the demarcation of the border in this area, especially over several islands in the Amur that were handed to Russia in 1860 but are now claimed by China.

The planned Sino-Russian agreement on crime follows on from a decision last month to draw up an extra-

dition treaty to combat cross-border gangs and drug smuggling, which has soared since the fall of the Soviet Union in December 1991.

Three agreements are also to be signed during Li's trip providing for mutual recognition of university diplomas, animal quarantine regulations and help in forest fires.

Li's itinerary includes talks with President Boris Yeltsin and a ceremony at the Moscow Institute of Energy, where he will be given an honorary doctorate. Li studied there in the 1950s.

Li left Beijing on Wednesday for a week-long tour of Belarus, Ukraine and Russia.

Belarusian Premier Views Li's Visit

OW2206172495 *Beijing XINHUA Domestic Service in Chinese* 0533 GMT 21 Jun 95

[By reporter Wan Chengcai (8001 2052 2088)]

[FBIS Translated Text] Minsk, 20 Jun (XINHUA) — The Belarusian Government attaches great importance to Premier Li Peng's upcoming visit to Belarus, and has made preparations for according the Chinese guest an elaborate reception.

Since Belarus gained independence toward the end of 1991, China and Belarus have enhanced mutual understanding through exchange visits between their high-level leaders. Premier Li Peng's upcoming visit to Belarus is seen here as "a new driving force behind the development of Belarusian-Chinese relations."

During an interview with a XINHUA reporter on 25 May, Belarusian Prime Minister Chyhir said: Belarusian President Lukashenka's visit to China in January this year helped foster closer relations between the two countries. Although Belarus and China are far from each other, the Belarusian people are not unfamiliar with China. As reference, China's achievements in economic reform are significant to Belarus. He said: Belarus hopes that Premier Li Peng's visit will be a success.

Lukashenka had a brief conversation with this news agency's reporter on 26 May, while he was attending a CIS summit. He said: China is a great country. Belarus will warmly receive the premier of this great country during his visit. President Lukashenka expressed satisfaction with the current state of Belarusian-Chinese relations, and was upbeat about the prospects for the two countries' relations.

The people of Minsk are joyously looking forward to the Chinese premier's visit. A resident of Minsk said to this reporter: Although the Belarusian population is only 1 percent of China's population, China treats Belarus

as an equal. The Belarusian people respect the Chinese people, admire the Chinese people's achievements in reform, and hope that the two countries' relations will develop further as a result of the Chinese premier's visit.

Arrives in Belarus

OW2206174795 Beijing XINHUA Domestic Service
in Chinese 1638 GMT 21 Jun 95

[By reporters Wan Chengcai (8001 2052 2088), Duan Jiyong (3008 0679 0516) and Zhang Yijun (1728 4135 0193)]

[FBIS Translated Text] Minsk, 21 Jun (XINHUA) — Chinese Premier Li Peng arrived in Minsk this afternoon to begin his first official visit to the Republic of Belarus at the invitation of its President Lukashenka.

At 1400 sharp local time, Premier Li Peng's special plane landed at Minsk's No. 2 airport. Chinese ambassador to Belarus Zhao Xidi and (Kolomiov), director of the Protocol Department of Belarusian Foreign Ministry, boarded the plane to greet Premier Li Peng and his wife Zhu Lin. At the ramp, two young women in Belarusian costume presented bread and salt to Premier Li Peng and flowers to Zhu Lin — a traditional way to welcome distinguished guests there. (Two) young women from the Chinese Embassy in Belarus also presented flowers to Premier Li Peng and Zhu Lin. Then, President Lukashenka, waiting at the ramp, stepped forward to warmly shake hands with Li Peng, and the two exchanged greetings cordially. Lukashenka said to Premier Li Peng, "The Belarusian people and I have long been looking forward to a visit by a high-ranking distinguished guest like you." Premier Li Peng said it is his pleasure to come to visit on invitation.

It was a sunny day in Minsk today with the national flags of China and Belarus flying over the airport. President Lukashenka held a grand welcoming ceremony at the airport for the distinguished Chinese guests. Premier Li Peng, accompanied by President Lukashenka, reviewed an honor guard while a military band played the national anthems of the two countries. Then, Lukashenka introduced the principal members of the Belarusian Government to Li Peng, and Li Peng shook hands with them.

After the welcoming ceremony, Premier Li Peng and President Lukashenka met the press together. Responding to reporters' questions, Li Peng said that his current visit is for the purpose of further promoting the friendly and cooperative relations between China and Belarus, and that he will meet with Belarusian leaders and exchange views with them on bilateral relations and international issues, as well as issues which both sides consider necessary to discuss. He believes that his cur-

rent visit will inject fresh vitality into the friendship and cooperation in various fields between the two countries.

Premier Li Peng issued a written statement at the airport. He said: Belarus is an influential country in both Europe and the Commonwealth of Independent States. Although China and Belarus are far apart in distance, the friendship between the Chinese people and Belarusian people dates back to ancient times. China attaches great importance to its friendly relations and cooperation with Belarus. The two countries have enjoyed steadily growing friendship and cooperation between them in various fields since the establishment of diplomatic ties between them.

At the airport VIP room, Premier Li Peng and President Lukashenka had a warm and friendly conversation with each other. Lukashenka said that he learned a lot of things during his visit to China early this year, and he was deeply impressed by the political stability in China; and that Belarus today also attaches importance to social stability because what foreign investors are concerned about, first of all, is stability. Li Peng agreed with him, and said that Belarus, with very good natural conditions, has great potential in economic development.

Lukashenka said that Belarus is backward in conventional industry and hopes to strengthen cooperation with China in this field, and that during his visit to China early this year, entrepreneurs of the two countries had reached some agreement on promoting cooperation.

Li Peng said that the Chinese side is willing to further develop its economic cooperation and trade with Belarus. He called on entrepreneurs of the two countries to make direct contact with each other to learn each other's needs and explore ways of cooperation.

Premier Li Peng's wife Zhu Lin and Vice Premier Wu Bangguo, who are in the entourage, had a cordial and friendly conversation with Belarusian Prime Minister Chyhir and his wife in the airport VIP room separately.

Arriving on the same plane were the members of Premier Li Peng's entourage. They include Director Liu Huaiqiu of the Foreign Affairs Office of the State Council, Director Wang Mengkui of the Research Office of the State Council, Vice Minister of Foreign Affairs Dai Bingguo, Vice Minister Chen Tonghai of the State Planning Commission, Vice Minister Shi Guangsheng of the Foreign Trade and Economic Cooperation, Deputy Secretary General Liu Qibao of the State Council, and Deputy Director Lu Congmin of the Foreign Affairs Office of the State Council.

Premier Li Peng was also greeted at the airport by Belarusian Prime Minister Chyhir, Director Sinitsyn of the Presidential Office, five deputy prime ministers, the

foreign minister, the chairman of the state committee for security, minister of internal affairs, the acting defense minister, and other senior government officials; diplomatic envoys of some countries in Belarus; the Chinese Embassy staff; and representatives of Chinese students in Belarus.

After the welcoming ceremony, Premier Li Peng, accompanied by President Lukashenka and Prime Minister Chyhir, drove to the government guesthouse where he will stay during the trip. On 22 June, Premier Li Peng will hold separate talks with President Lukashenka and Prime Minister Chyhir on the further development of bilateral relations and international issues of common concern.

Meets Belarusian President

OW2206133795 Beijing XINHUA in English
1321 GMT 22 Jun 95

[FBIS Transcribed Text] Minsk, June 22 (XINHUA) — Visiting Chinese Premier Li Peng and Belarusian President Alyaksandr G. Lukashenka agreed here today that prospects are promising for the development of bilateral relations based on the principles of mutual respect, equality and mutual benefits.

The two leaders expressed their willingness to further the relations between their countries during a two-hour talks held here at the presidential palace.

This is the third meeting between the two leaders. They met twice before in the Chinese capital of Beijing.

Li said that China respects the policies adopted by Belarus in line with its own national conditions and is happy to see Belarus actively develop relations with various other countries, especially with its neighbors including Russia.

The Chinese premier wished Belarus new achievements in its foreign relations and in playing its due role in regional and international affairs.

On bilateral ties, Li said that great progress has been made in this regard since the two countries established diplomatic ties three years ago.

The two countries have a good political relationship. Li said, and the visit to China by President Lukashenka earlier this year has brought bilateral cooperation in various fields to a new high. The trade and economic cooperation between the two countries, in particular, has also gained momentum.

Li said the Chinese government is willing to help expand the cooperation between enterprises of the two countries. He hoped that entrepreneurs from the two countries would have more direct contacts so that they

can understand each other better and can better explore new ways of cooperation in accordance with their own needs.

In the meeting, Lukashenka said that the development of relations with China constitutes a priority in Belarusian foreign relations.

He said there will be a full and comprehensive development of the bilateral cooperation in the fields of economy, trade and technology, as quite a number of cooperative agreements have been or are to be signed.

Lukashenka said that China's experience in economic reform is much helpful to Belarus for the two countries' economic reforms are similar to each other in many ways.

Belarus and China have an identical target in their reforms, the Belarusian president said, and Belarus is willing to have more exchanges with China in this area.

The two leaders also exchanged views on a wide range of issues of common interest.

Leaders Discuss Human Rights

OW2206140595 Beijing XINHUA in English
1351 GMT 22 Jun 95

[FBIS Transcribed Text] Minsk, June 22 (XINHUA) — Visiting Chinese Premier Li Peng said here today that any attempt to interfere in other countries' internal affairs by using the human rights issue as a pretext is doomed to failure.

The Chinese premier made the remark here this morning during his talks with Belarusian President Alyaksandr G. Lukashenka, who agreed with Li's views.

Li said that there are countries which always seek to undermine the stability and development of other countries by interfering in their internal affairs.

He said China maintains that all countries have the right to choose their own way of development and social system in line with their own national conditions.

Li emphasized that any attempt to interfere in other countries' internal affairs by using the human rights issue as a pretext will meet with resolute opposition from all countries that uphold justice, and is therefore doomed to failure.

Lukashenka said that the Belarusian government and its leaders support China's stand on human rights, adding that other countries should not interfere in this issue, which he said belongs to a country's internal affairs.

He said the world should thank China, with a huge population of 1.2 billion, for its policy of maintaining

stability and development, which is a great contribution to world peace and stability.

Joint Communique Signed

OW2206184695 Beijing XINHUA in English
1821 GMT 22 Jun 95

[FBIS Transcribed Text] Minsk, June 22 (XINHUA) — China and Belarus pledged here this afternoon to push their relations to a new level, according to a joint communique issued by the two governments here today.

The communique was signed by visiting Chinese Premier Li Peng and his Belarusian counterpart Mikhail Chyhir here this afternoon after their hour-long talks.

According to the communique, the two governments will strictly abide by the principles stipulated in the 1992 bilateral agreement on establishment of diplomatic ties between the two nations and the two joint declarations issued respectively in 1993 and 1995.

The communique said that during Li's visit, the Chinese premier exchanged views on a wide range of issues of common interest with Belarusian President Alyaksandr G. Lukashenka and Premier Mikhail Chyhir in a sincere, friendly and pragmatic atmosphere.

Exchange of experience in reform is beneficial to both countries, which are carrying out reform policies based on their different national characteristics, the communique said.

The two governments will encourage bilateral cooperation in the fields of economy, trade, science and technology, machine manufacturing, electronics industry and agriculture, according to the communique.

They will also conduct cooperation in the field of military technology while observing their international commitments, the communique said.

China reiterates in the communique that it respects the policy and the road of development pursued by Belarus, while Belarus says that it will abide by the principles stipulated in the 1995 joint declaration of the two countries with regard to the Taiwan issue.

According to the communique, the two countries have agreed to strengthen their cooperation and consultation in international affairs, which they believe is of great significance to the maintenance of world peace.

Both countries stand for the establishment of a just and reasonable new world economic and political order in accordance with international laws, noted the communique.

The document said that China and Belarus oppose any attempt to interfere in other countries' internal affairs

using human rights issues as a pretext, and they have agreed to enhance bilateral or multilateral consultation and cooperation in this regard.

The document said the two countries are willing to maintain high-level contacts, which will be of great importance to the further advance of bilateral relations.

Li Lays Wreath at Monument

OW2206185395 Beijing XINHUA in English
1827 GMT 22 Jun 95

[FBIS Transcribed Text] Minsk, June 22 (XINHUA) — Visiting Chinese Premier Li Peng laid a wreath here this afternoon at a monument in the Victory Square in this capital of Belarus.

The monument was built in honor of the former Soviet soldiers and Belarusian guerrillas who were killed in action during World War II.

Li paid the tribute in the company of Belarusian Premier Mikhail Chyhir. The inscription on the wreath ribbon read: To the Heroes Who Fell in Battle During the Anti-Fascist War!

Banquet Held in Li's Honor

OW2206191795 Beijing XINHUA in English
1910 GMT 22 Jun 95

[FBIS Transcribed Text] Minsk, June 22 (XINHUA) — Visiting Chinese Premier Li Peng said here today that China will always be Belarus' reliable friend and long-term partner.

Li made the remark at a banquet hosted in his honor this evening by Belarusian President Alyaksandr G. Lukashenka.

The Chinese premier said in his toast that the Belarusian people are well known for their love for peace and they have won world respect for their great sacrifices during World War II.

For them, there exists no difficulty that cannot be overcome, Li said, adding he believed a prosperous Belarus would surely emerge in the world.

Lukashenka said that China's experience in reform is a treasure for the whole world. He expressed the hope that China would enjoy prosperity in the near future.

Li's wife Zhu Lin, Chinese Vice-Premier Wu Bangguo and Belarusian Premier Mikhail Chyhir attended the banquet.

Li Meets Premier Chyhir

OW2206193695 Beijing XINHUA in English
1925 GMT 22 Jun 95

[FBIS Transcribed Text] Minsk, June 22 (XINHUA) — Visiting Chinese Premier Li Peng said here today that there are no hurdles to the development of friendship and cooperation between China and Belarus.

Exchanges and cooperation between the two countries in various fields have now started, Li said during talks with Belarusian Premier Mikhail Chyhir here this afternoon.

He said continued efforts by both sides are needed to accelerate bilateral cooperation on a full-scale.

The Chinese premier also said that direct links should be established between enterprises of the two countries, especially between the economically strong and creditable ones.

He said the governments of the two countries should endeavor to improve their respective investment environment and formulate policies or enact regulations that conform to reality, so that favorable conditions can be created for the cooperation between enterprises of the two countries.

During the talks, the Belarusian premier said the economic situation in China provides a good opportunity for bilateral economic cooperation.

He said he believes Belarus will surely become a reliable cooperation partner of China.

He also expressed thanks for the non-repayable economic aid provided to his country by China, saying that the people of Belarus will not forget the aid provided to them by the Chinese people during their time of difficulty.

During the talks, the two leaders expressed satisfaction over the smooth development of friendly cooperation between their two countries since the establishment of diplomatic ties three years ago.

Li Peng invited Chyhir to visit China at his convenience. Chyhir said he is willing to make the visit.

Chinese Vice-Premier Wu Bangguo was present at the talks.

Leaves Belarus for Ukraine

OW2306082795 Beijing XINHUA in English
0809 GMT 23 Jun 95

[FBIS Transcribed Text] Minsk, June 23 (XINHUA) — Chinese Premier Li Peng left here today for Kiev, capital of Ukraine, after ending his two-day official visit to Belarus.

During his stay here, Premier Li held talks with Belarusian President Alyaksandr Lukashenka and Premier Mikhail Chyhir respectively. He signed a joint communiqué with Chyhir.

Both sides also signed several other documents on bilateral cooperation.

After Kiev, Premier Li will visit Russia.

Arrives in Kiev

OW2306085095 Beijing XINHUA in English
0840 GMT 23 Jun 95

[FBIS Transcribed Text] Kiev, June 23 (XINHUA) — Chinese Premier Li Peng arrived here this morning for a two-day official visit to Ukraine at the invitation of Ukrainian President Leonid Kuchma.

Premier Li came here from Belarus, where he just ended a two-day official visit. He will also visit Russia.

Emphasizes Relations

OW2306112795 Beijing XINHUA in English
1111 GMT 23 Jun 95

[FBIS Transcribed Text] Kiev, June 23 (XINHUA) — Chinese Premier Li Peng said here today that there has been a good beginning in the cooperation between China and Ukraine in various fields and that the development of Sino-Ukrainian relations is promising.

Li made the remarks upon his arrival in Kiev on a two-day official visit to Ukraine at the invitation of President Leonid Kuchma.

He said that China attaches great importance to the development of its relations with Ukraine, which he described as an important European country with enormous potentials for growth.

The Chinese premier, who was greeted at the airport by Ukraine's Prime Minister Yevheniy Marchuk, said that leaders of the two countries have maintained close contacts and worked hard to push forward their relations steadily since the establishment of diplomatic ties more than three years ago.

Li noted that the friendship between the two peoples has a long history and the Chinese people have always cherished a profound friendship and respect for the people of Ukraine.

During his stay in Kiev, Li will exchange views with Ukrainian leaders on bilateral ties and international issues of common concern.

Accompanying the Chinese Premier on the visit are Li's wife Zhu Lin, Chinese Vice Premier Wu Bangguo and other senior government officials.

Li came here from Minsk, capital of Belarus, where he just ended a two-day official visit.

Belarusian President Alyaksandr Lukashenka, who saw Premier Li off at the airport earlier today, said after

the sending-off ceremony that it's vitally important for Belarus to develop its cooperation with China.

He has instructed Belarusian departments concerned to implement as early as possible the agreements signed between the two sides during Premier Li's visit in Belarus.

Political & Social

Qiao Shi Presides Over NPC Session Opening

OW2306074595 *Beijing XINHUA in English*
0730 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — Seven draft laws were submitted to the 14th session of the National People's Congress (NPC) Standing Committee, China's top legislature, today for deliberation.

Qiao Shi, its chairman, presided over the opening ceremony for the eight-day session.

The drafts of the guarantee law, insurance law, decision on punishing criminals disrupting financial order and energy conservation law were revised after preliminary discussions in previous session.

The State Council also tabled three draft laws — on civil aviation, medical practitioners, and physical culture — with the lawmaking body today.

The revised draft of the guarantee law made further stipulations forbidding state organizations, schools, medical institutions and other public institutions to guarantee loans, according to Xiang Chunyi, vice-chairman of the NPC Law Committee.

But exceptions could be made for governments after receiving approval from the State Council for loans from foreign governments or international economic bodies, Xiang told the meeting.

Major changes were made to the former draft of the insurance law, Li Yining, another vice-chairman of the Law Committee, said.

The law will mainly regulate the commercial insurance industry, as property insurance and human life insurance are kept separate, in line with international codes of practice, Li explained.

Stricter rules were set in the latest draft on the issues of establishment of insurance bodies, cash deposits and insurance funds of the insurance industry.

"These steps are meant to better protect the legal rights of the parties involved in the business," Li said.

The death sentence was kept in the draft decision on punishing criminals disrupting financial order, said Wang Shuwen, vice-chairman of the Law Committee, adding that the penalties for lesser crimes in the financial sector were also increased.

Xue Ju, chairman of the Law Committee, explained the revisions on the draft energy conservation law.

Also presented to the legislature was the Sino-Turkish treaty on judicial co-operation in civil, commercial and criminal affairs.

The legislature will also decide the election dates of the people's deputies of township-level people's congresses.

Official Denies Wang Baosen Case Linked to Project

HK2306080195 *Beijing CHINA DAILY in English*
23 Jun 95 p 1

[Article by Cao Min: "Plaza Rumours Baseless — Official"]

[FBIS Transcribed Text] Beijing's top official yesterday denied rumours that the Oriental Plaza building project near the busy city centre of Wangfujing was connected with the case of Wang Baosen.

Wang is the former vice-mayor of Beijing who killed himself on April 4 before an investigation into his alleged irregularities in economic dealings.

"These rumours are groundless," Wei Jianxing, Beijing's new Party secretary, said at a meeting with the Hong Kong business tycoon Li Ka-Shing.

Wei said the CPC Central Committee dealt with the Wang case in a timely fashion.

Wei expressed gratitude to Li for his support of Beijing's economic construction. He also said he hoped the parties can strengthen co-operation.

The design of the plaza must be modified to conform with Beijing's urban planning.

The project was suspended two months ago.

Li, Chairman and Managing Director of Hong Kong Cheung Kong (Holdings) Ltd, is the project's major investor.

Oriental Plaza is to border Wangfujing and the East Changan Avenue in the heart of the capital.

Construction guidelines stipulate that buildings around the city centre of the Forbidden City and Tiananmen Square should be within a certain height to preserve the original skyline of the ancient city.

"We hope to bring in more overseas investment with the main focus on developing new technologies, upgrading infrastructure, and housing projects," Wei said.

The municipal government decided to set up an economic strategy research panel, composed of experts, scholars and officials, to offer suggestions on Beijing's long-term economic strategy, he said.

Li thanked Wei and said that Wei's words have put his mind at ease.

"I have full confidence for Beijing's future and China's future," he said.

Lu Ping Undergoes Surgery

HK2306064495 Hong Kong SOUTH CHINA MORNING POST in English 23 Jun 95 p 2

[By Staff Reporters in Beijing]

[FBIS Transcribed Text] China's leading spokesman on Hong Kong affairs, Lu Ping, underwent surgery on a bleeding ulcer after completing last month's fortnight-long visit to Hong Kong and Macao. He is now said to be staying at a treatment centre in Beijing, recovering from exhaustion and stress.

Doctors advised Mr Lu, director of the State Council's Hong Kong and Macao Affairs Office, to postpone his Hong Kong trip after it became clear the ulcer was bleeding in mid-May, according to a senior official. "He insisted on going on with his trip because it might have caused a stir if he had cancelled," said Zhang Liangdong, head of the office's Economic Affairs Department. Mr Lu had been suffering from the ulcer since April when he went to the United States, said Mr Zhang.

NPC Chairman Qiao Shi Inspects Hunan 17-20 Jun

HK2306102695 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 21 Jun 95

[FBIS Translated Text] While carrying out an inspection tour in our province recently, Qiao Shi, member of the Political Bureau Standing Committee of the CPC Central Committee and chairman of the National People's Congress (NPC) Standing Committee, stressed: We must firmly seize on the present favorable opportunity to truly strengthen agricultural and rural work, improve the quality of our township and town enterprises, deepen reform of state-owned enterprises, actively develop high and new technological undertakings, and rely on scientific and technical progress to accelerate economic development.

On 17-20 June, accompanied by Wang Maolin, secretary of the Hunan Provincial CPC Committee, Yang Zhengwu, provincial party deputy secretary and provincial governor, Xiong Qingquan, member of the NPC Standing Committee, Liu Fusheng, chairman of the provincial People's Congress Standing Committee, and others, Qiao Shi successively inspected a food basket project in Lituo Township in the suburbs of Changsha City, the Changshanyan flood prevention project in Changsha City, Yuanda Engineering Company in

Changsha, Hunan Hybrid Rice Research Center, Hunan Foreign Trade Food Company Limited, Hunan Weixiang Electronics Company Limited, and others. He also listened to work reports by the provincial CPC Committee, government, and provincial People's Congress Standing Committee.

During the inspection tour, Qiao Shi emphasized: Hunan is a large agricultural province. It has made great contributions to our country since the founding of the PRC. Agriculture is a matter of primary importance in provincial economic work. We must concentrate our efforts on grasping it well. To maintain Hunan's strong points in agricultural development, it is necessary to work out a long-term plan for water conservancy works and persist in implementing the plan year after year. To completely overcome Hunan's main hidden troubles of floods and drought, it is particularly necessary to grasp well comprehensive work of bringing Dongting Hu under control.

As for how to run state-owned enterprises well, Qiao Shi pointed out: The crux lies in deepening reform. On the basis of carrying out experiments and summing up experiences, we can act more boldly, take bigger steps, and further strengthen our work. As for the work of people's congresses, Qiao Shi stressed: It is necessary to continue to give play to the role of people's congresses at all levels. Under the leadership of local CPC Committees, local people's congresses must perform well their functions and duties entrusted by law, strengthen rule by law, do supervisory work well, and promote the development of reform, opening up, and modernization.

In the course of the inspection tour, Qiao Shi also expressed his views on promoting the building of the socialist spiritual civilization, maintaining social stability, and strengthening party building.

Peng Peiyun Inspects Zhejiang Urban Medical Reform

OW2206135695 Beijing XINHUA in English 0918 GMT 22 Jun 95

[FBIS Transcribed Text] Nanjing, June 22 (XINHUA) — State Councillor Peng Peiyun inspected the progress of the pilot urban medicare reform in Zhenjiang City of Jiangsu Province and Jiujiang City of Jiangxi Province from June 9 to June 19.

Peng was at the head of a group of officials from the Ministries of Public Health, Finance, Labor and other authorities.

The councillor was told by local officials that in the two cities, more than 90 percent of the entities and individuals have been covered by medical insurance.

The reform demands citizens paying a larger part of their medical care bills, which has effectively checked the rapid increase of medical spending in the two cities.

The reform also aims at establishing a new operation system in hospitals that encourages hospital authorities improve their performance.

Urban workers in China have been enjoying free medical care for decades. However, with the rapid growth of medical costs, the burden is getting heavy on the government budget.

The experiment of a new medical care system was started in the two cities at the end of 1994, upon approval of the State Council. Its basic principle is to let the patients pay more for their medical care, and to give insurance a bigger role to guarantee proper medical care for all.

Li Tieying on Housing Reform Project

OW2206154395 Beijing XINHUA in English
1431 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — China has approved the construction scope and loans needed for an ambitious housing project for low- and medium-income urban families in 59 large cities in China.

A panel of the housing system reform under the State Council announced today that the State Planning Commission and the People's Bank of China has approved the scope of the Anju ("comfortable housing") projects for 59 cities that include Beijing, Tianjin, Shanghai, Nanjing, and Shijiazhuang.

Li Tieying, head of the housing panel and State Councillor, said that the projects should help the current housing reform in China and accelerate the building of more affordable housing for low- and medium-income urban families.

Li, who is also member of the Political Bureau of the Chinese Communist Party Central Committee, emphasized that the project, which is a social-welfare model, should be in line with real estate norms in terms of investment, construction, sales, and management, and the housing should be sold to urban families.

At present, 54 of the 59 cities have worked out detailed plans for the project and many have begun major buildings. More than 78 percent of the project is expected to be completed within this year, and the remainder in the first half of 1996.

Thus, a total of 12.5 million sq m of affordable housing will be provided for urban families, with investment amounting to as much as 12.5 billion yuan.

According to the terms of the project, 150 million sq m of affordable housing will be built within five years, in addition to the current 200 million sq m being built annually.

China officially began work on the project, which was financed by the central and local governments, last February. Priority in availability will be given to retired people, teachers, and those who have special housing difficulties.

'Introduction' to Articles by Chen Yun

OW2306104595 Beijing XINHUA Domestic Service
in Chinese 0033 GMT 13 Jun 95

["Introduction to Additional Articles in Volumes 1 and 3 of the *Selected Works of Chen Yun*" — XINHUA headline]

[FBIS Translated Text] Beijing, 13 Jun (XINHUA) — The *Selected Works of Chen Yun* published in 1984 and 1986 (the volume including articles written by him from 1926 to 1949; the volume including articles from 1949 to 1956; and the volume including articles from 1956 to 1985) have been supplemented and revised by the Party Literature Compilation Committee of the CPC Central Committee with the approval of Comrade Chen Yun, and republished by the People's Publishing House. The second edition has been renamed Volume 1, Volume 2, and Volume 3 of the *Selected Works of Chen Yun*.

Thirty-three articles have been added in the second edition of the *Selected Works*, of which six articles have been added to Volume 1 (not including four articles listed at the end of the volume from 1956 to 1985 of the first edition, which are now listed in Volume 1 according to time sequence). Volume 2 does not have any additional articles. Twenty-seven articles have been added to Volume 3. The main contents of the additional articles in Volume 1 and Volume 3 follow:

Introduction to Additional Articles in Volume 1

"How Should Guerrillas Organize a Mass Movement? was written by the author when he arrived in Tianquan County, Sichuan Province during the Long March in June 1935. At that time he received an order to go to Shanghai to restore and unfold the party's secret work. The article was originally published in QIANJIN BAO [PROGRESSIVE PAPER]. In line with the strategic policy of the party Central Committee on unfolding guerrilla warfare and creating new revolutionary bases,

the article laid stress on explaining that the key to success or failure in a guerrilla war lies in whether the masses can be mobilized and organized. On the tactics of leading the mass struggle, the most important thing is to carefully understand the masses' most urgent needs, and turn the party's slogans into the masses' slogans. Meanwhile, it is necessary to correctly exploit the vast united front and organize all the masses that can be united to fight against the enemy. However, the leadership of the party must be guaranteed.

"What I Saw and Heard While Traveling Westward With the Army" was written by the author in Moscow in the autumn of 1935 to publicize the Long March of the Chinese Workers' and Peasants' Red Army. At that time, in order to facilitate the circulation of the article in areas dominated by the Kuomintang [KMT], the author pretended to be a KMT military doctor captured by the Red Army and used the pseudonym "Lian Chen." The article was first serialized in "All People Monthly" in Paris in March 1936. In July of the same year, it was published in book form in Moscow. Later, it was printed and distributed several times in China. The original writings have been maintained with the exception of some corrections of individual words and punctuation. It has become an appendix to the "Outline for Transmitting the Enlarged Meeting of the Political Bureau in Zunyi."

Speech at the Meeting of High-Ranking Cadres of the Northwestern Bureau was published in November 1942. The rectification movement in Yanan had been launched at that time. The author noted in his speech: To achieve centralization of party leadership, it is necessary to fight the tendency of asserting one's independence first; meanwhile, the work of local party committees should take the whole into account. Only by appropriately taking the whole into account can we have stable centralized party leadership. The speech also expounded important issues such as veteran cadres taking the lead in studying culture and science, conducting serious criticism and self-criticism within the party, and firmly opposing liberalism.

How Can We Make Fewer Mistakes? was part of a speech made at the meeting of the Nanman Sub-Bureau of the CPC Central Committee in February 1947. Based on his experiences and understanding, the author brought up and expounded the very important question of how could we make fewer mistakes or avoid making big mistakes. The author maintained that the cause of making mistakes in the past mainly lies in incorrect ways of thinking; that is, there are errors in our understanding objective things in a subjective manner. To avoid one-sidedness in understanding and seek truth from facts in a proper manner, the author summed up three methods: 1. Exchange; 2. comparison;

3. repetition. Exchange means the exchange of pros and cons; the views of the latter, in particular, should be solicited to understand the overall situation. Comparison means the comparison between top and bottom as well as right and left for judging the nature of a thing more properly. Exchange and comparison are both the process of understanding, whereas repetition is the process of understanding as well as practice. After making a decision, we should have it challenged by objections, so as to make our understanding more correct. The most important thing is that we should repeat the process of understanding in the course of practice, uphold what is correct, and correct what is erroneous. The author noted that to execute these three methods, we should deal with the thing itself instead of self-respect. The more one fears losing face, the more one will lose face; the more one does not care about losing face, the more likely one will not lose face. The author maintained: If everybody takes the stance of the proletariat, it will be easier to come up with a unified method and reach a consensus of views on problems, and it will be easier to handle things. Such an attitude should be assumed within the party. This is the attitude of a communist.

Explanation Concerning the Establishment of the Committee of Financial and Economic Affairs was a report to the meeting convened by Comrade Zhou Enlai in June 1949 with the participation of persons from various democratic parties, persons without party affiliation, and comrades in charge of party and government organs in Peking [Beijing]. While we were about to win a nationwide victory in the war of liberation at that time, it was a very urgent task to establish a central committee of financial and economic affairs to centralize leadership over the whole nation's financial and economic work. The author said in his report: We are now stressing centralization and unity, but there are two conditions for centralization and unity — one is when it is necessary and the other is when it is feasible; both conditions are indispensable.

In Memory of Comrade Yan Pu was a brief biography written in June 1949 in memory of Comrade Yan Pu who died of illness. Through recounting Comrade Yan Pu's life-long struggle, the author called on the broad masses of party members and cadres to emulate his hard work and plain life as well as his revolutionary spirit of knowing work only, not going after position, and obeying the organization in every move.

Introduction to Additional Articles in Volume 3

Why Is It Necessary To Practice the Buying-Out Policy Toward Capitalist Enterprises? was a speech given at the congress of grass-roots cadres from trade unions of joint state-private enterprises in November

1956. The author was in charge of the socialist reform of capitalist industry and commerce, which was assigned to him at that time. Marx and Lenin had both envisaged turning capitalists into laborers who earn their own living by means of peaceful buyouts. In his speech, the author gave many examples to explain that a peaceful buying-out policy toward capitalist industrial and commercial enterprises was in the interest of the state, people, and the working class itself.

It Is Necessary To Study Contemporary Capitalism were remarks made after hearing a work briefing of the People's Bank of China in June 1973. It was during the time the Great Cultural Revolution was in progress, and the author was commissioned by Comrade Zhou Enlai to study some issues in the field of foreign trade. The author noted: It is a foregone conclusion that we will have to deal with capitalism, so we should carefully study contemporary capitalism. If we do not study it, we will be at a disadvantage and it will be out of the question for us to be able take the place we deserve in the world market. In view of the "left" deviation in the problem of using foreign capital at that time, the author noted that the principle of practicing self-reliance should not be antagonistic to the use of capitalist credits, and that the banks should be bold and assured in assuming the responsibility of using foreign capital.

"The Use of Commodity Exchange in Imports" was a report drafted in October 1973 by the Ministry of Foreign Trade for submission to the State Council for instruction. After summing up the experience of the Wufeng Company, a subsidiary of Hong Kong's Huarun Corp., which completed a cash purchase of sugar, the report points out that commodity exchange in the international market has a double nature. Instead of adopting an approach of passive avoidance, we should study and use it. The report also points out that China did not make use of commodity exchange this time to engage in speculative buying and selling, and it shall not do so in the future. It is instead a roundabout way of self-protection so that we will suffer no losses or very little.

"Make Use of the Abundant Labor Force at Home to Produce Goods for Export" was part of a conversation with officials of the Ministry of Foreign Trade in October 1973. The conversation pointed out, first of all, that it is wrong to believe that it is not self-reliant if we import cotton for processing and export cotton cloth. China has an abundant labor force. Importing cotton so that we can process it and export cotton cloth is not unlike importing chemical fertilizer so that we can increase grain production and export rice. This is processing for export in a broad sense; it is a way to earn

foreign exchange for the state and, in the final analysis, speed up the nation's industrial development.

"On Export of Arts and Crafts" was a talk he gave in December 1973 after hearing a briefing by an official of the China National Arts and Crafts Import and Export Corporation. It pointed out that arts and crafts is an export commodity we must guarantee. The reason is that there is ample supply and many of these products are manufactured by farmers as a side occupation or by urban neighborhoods. Therefore, it has a bearing on the people's livelihood. The Ministry of Foreign Trade should take special care of impoverished regions in making procurement. We should adopt flexible trade practices and try our best to develop the market. Meanwhile, we must ensure and improve quality.

"On the Question of Trade with Hong Kong and Macao" was an outline for a speech to officials of the Ministry of Foreign Trade written in August 1974. It pointed out that at present China gets more cash settlement revenues from Hong Kong and Macao than from any other place. One advantage we enjoy in trade with Hong Kong is that we can dominate the market on food and traditional export goods. The disadvantage is that Hong Kong and Macao are free ports where competition is fierce and we could be squeezed out of the market we already occupy. Many comrades have yet to recognize this disadvantage. The author contends that in order to hold on to a market we already have it is necessary to build and expand production bases. Meanwhile, the prices of our commodities must be competitive so that we can expand foreign exchange earnings.

"Work Together With One Heart To Make the Baoshan Iron and Steel Complex a Success" was a speech he made in June 1979 to a full session of the State Council's Financial and Economic Committee devoted exclusively to the continued construction of Baoshan Iron and Steel Complex. Baoshan was a large project of national significance. The author made a special inspection tour of Shanghai prior to the meeting. In the speech, the author first reviewed the three reversals on the question of Baoshan's construction and, after summing up the participants's views, made the conclusion that the Baoshan project must be completed. It is necessary to purchase equipment as well as technology and patents. We must set strict, even fastidious, requirements on Baoshan, because it, as the first large project of the four modernizations, must set a good example.

"Bring Up Talented People, Produce Good Books, and Follow the Correct Path" was a conversation with officials of a troupe specializing in story telling and ballad singing in Suzhou dialect in April 1981.

The writer pointed out that it is of primary importance to bring up talented people, produce good books, and follow the correct path in preserving and developing this art; monetary considerations are secondary. We shall blow away the evil winds and practices in the art world with decent traditional storytelling and ballad singing.

"Improve the Working and Living Conditions of Middle-aged Intellectuals" was a letter he wrote to comrades of the Standing Committee of the Political Bureau of the CPC Central Committee in July 1982. The letter suggests that the improvement of the working and living conditions of middle-aged intellectuals should be considered an infrastructure "project," and an essential one at that. We should clearly explain to the masses that mental work is different from manual work. It is in keeping with the law of socialist economics — the long-term interests of the people as well — that intellectual workers and better-educated people be paid more than manual workers, because without doing so, we will not be able to advance science and technology and boost the development of productive forces.

"Bring Up Party and Government Leaders That Are More Revolutionary, Younger in Average Age, Better Educated, and Professionally More Competent" is a letter he wrote to Wang Zhen and Jiang Nanxiang in February 1983. The letter points out that it is the urgent task of party schools to bring up backbone party and government leaders that are more revolutionary, younger in average age, better educated, and professionally more competent to meet the needs of four modernizations.

"The Question of Modernization and Cultivation of Successors" is a speech he made in June 1983 to a central work conference. The speech points out that the people's living standards have improved significantly in recent years and they will continue improving. Improvement in living standards, however, cannot surpass growth in production. In a word, we must first feed the people, and second, build the country. The country would have no future if we eat and use everything up. There must be something left to build up the country after we feed ourselves, otherwise there would be no hope for our state. The writer believes that our financial and material resources are limited; if we launch all projects simultaneously without a sense of importance and urgency, they would certainly squeeze one another and we end up suffering huge losses and landing ourselves in a passive position. The writer also suggests that while we are busily occupied with revolution and construction, we must not forget bringing up successors. We must build up the ranks of second- and third-tier cadres. There has never been a party in the international communist party that has tried what we are doing.

"Bring About the Reunification of the Motherland From the Overall Interest of the State and Nation" is an extract of a speech he made in December 1983. It points out that on the question of bringing about national reunification, Comrade Ye Jianying already issued a nine-point statement. Recently, Comrade Deng Xiaoping provided a full explanation in his conversation with professor Yang Liyu. These views take into consideration the overall interests of the state and nation, as well as the interest of the Kuomintang represented by Mr. Chiang Ching-kuo. The speech also points out that it is not realistic to reunify China under the Three Principles of the People. The Kuomintang practiced the Three Principles of the People in the mainland for several decades and the results were far from satisfactory. After only 30 years of socialism, we have not only solved the problem of food and clothing for a billion people, but also noticeably raised the people's living standards. It is true that per capita income in Taiwan is higher than the mainland in recent years. However, they don't have a population of one billion people, of which 800 million are in the countryside. For this reason, the mainland will continue practicing socialism after reunification. Taiwan may continue their current system; we have no objections to that.

"China and the Soviet Union Should Get Along Amicably" is excerpts of a conversation he had with Arkhipov, first deputy chairman of the USSR Council of Ministers, in December 1984. In the conversation he points out that the Chinese Government and people have not — and will not — forget the assistance they received from the Soviet Government and people in time of revolutionary war as well as peaceful construction. China and the USSR should, and certainly can, get along amicably. Normalization of Sino-Soviet relations would be beneficial to the fundamental interests of the two nations and people the world over.

"Questions Concerning the Right To Issue Banknotes and Foreign Exchange Reserves" is a speech delivered at an enlarged Political Bureau meeting of the CPC Central Committee in February 1985. The speech begins with an endorsement of the idea that the amount of money in circulation should be kept at an appropriate level. The speech points out that money supply is out of control today. There must be someone — the premier or a vice premier in charge of economic work — overseeing the amount of banknotes in circulation from year to year. As for the question of foreign exchange reserves, the writer believes that in the long run, China currently is not overflowing with foreign exchange reserves; its reserves are, on the contrary, insufficient. Foreign exchange earnings made by various units should be considered a form of contribution to the state and they

should be deposited into the Bank of China. No one is allowed to deposit foreign exchange into a foreign bank without special authorization.

"Investigation and Study and the System of Inner-Party Democratic Life" is part of a speech delivered at the enlarged meeting of the Political Bureau of the CPC Central Committee in January 1987. In the speech, the author suggested that the Central Secretariat should pay attention to methods of working. He suggested that before discussing and deciding on important issues, the Secretariat should conduct investigation and study, and prepare two plans, not just one plan. The author emphasized that there should be a system of democratic life within the party; democratic centralism should be upheld; and serious problems can be avoided if discussing meetings are held frequently to exchange views. The author pointed out: In promoting cadres, attention should be paid to selecting people from all corners of the country. Our major principle for promoting cadres is to select people with both moral integrity and ability from all corners of the country. Now some comrades often say that we need pioneer-type cadres. Yes, we do need pioneer-type cadres, but we must first emphasize moral integrity and party spirit. Speaking of having both moral integrity and ability, it is of course necessary to have ability, but moral integrity is even more important.

"Bearing Heavy Responsibility and Studying Philosophy" is the gist of his talk with central responsible comrades in July 1987. The author pointed out in the talk: In our country, the paramount leader today is Comrade Xiaoping, but he is already 84 according to Chinese way of counting the age. So, all the heavy party and state leadership responsibility will be on your shoulders in not too long a time. The author said: In order to lead our party and state well, it is most important for leading cadres to have a correct way of thinking. In order to do so, one must study Marxist philosophy. My personal experience is that studying philosophy can make one wiser, and studying it well can benefit him for life.

"Written Speech at the Ninth Plenary Meeting of the Central Commission for Discipline Inspection" was published in October 1987. The author pointed out in the speech that the key to improving the party style lies in improving the quality of party members, particularly the quality of high- and middle-ranking leading cadres with our party membership. The author said: In October last year, Comrades Xiaoping and Xiannian [Li Xiannian] and myself agreed to retire together at the time of the 13th national congress of the party. Our retirement meets the need of the party's cause.

"To Control Pollution and Protect the Environment Is Our Major National Policy" is a letter written by him to Comrades Li Peng and Yao Yilin in August 1988. He said in the letter: In pollution control and environmental protection work, we should first constantly give publicity to it to arouse people's attention; second, we should increase investment in it; and third, we should exercise supervision and conduct inspection repeatedly to ensure that it is done at all levels.

"Several Questions Concerning the Present Economic Work" is the gist of his talk with central responsible comrades in October 1988. He emphasized in the talk: The Central Committee's political authority must be based on its economic authority. Its political authority will not be strong if it does not have an economic authority. For this reason, the Central Committee should centralize the necessary power in economic activities. He pointed out: We need reform. However, during the course of reform we must not abandon the principle of developing the economy according to plan and proper proportion. Otherwise, the national economy as a whole will be in disorder.

"It Is Necessary To Oppose Turmoil" is a combination of two articles. One was the gist of a speech delivered by him at a meeting of the Standing Committee of the Central Advisory Commission in May 1989; and the other were excerpts of a letter written by him to comrades of the Standing Committee of the Central Advisory Commission in May 1990. The author held the following views: The 1989 turmoil was a very complex political incident, unprecedented in the history of the People's Republic; and it was also a special political struggle in our party under special historical circumstances. We should seek truth from facts during the investigation of comrades who made mistakes. Those who violated laws should be punished according to law. China, a large socialist country with a population of 1.1 billion, can't afford turmoil.

"The Very Nature of Imperialism Remains Unchanged" is a portion of his talk with central responsible comrades in September 1989. He pointed out in the talk: In commenting on imperialists, Lenin described them as having five major characteristics and the nature of aggression against others and of contending with one another for hegemony. It seems that his comments are not outmoded yet. Historical facts show that imperialists used force in aggression and infiltration in the past, and later they resorted to both force and nonviolent means. Now, "nonviolent" means (including political, economic, and cultural means) have become conspicuous, particularly their so-called "peaceful evolution" against socialist countries.

"Paying Attention to Not Merely What Superiors and Books Say, But Also Realism, Exchange, Comparison, and Repeat" is the gist of his talk with responsible comrades of party, government, and Army organizations in Zhejiang Province in January 1990. In the talk, he first reviewed the thesis "paying attention to not merely what superiors and books say, but also realism, exchange, comparison, and repeat" summed up by him during the Yanan Rectification Movement; and then he explained it word by word. The author said: Paying attention to not merely what superiors and books say does not mean that we do not have to listen to our superiors, nor does it mean that we do not have to read documents and books. Realism means that we should consider reality and study and handle questions in a realistic way. This is the most reliable way. The author said: "Paying attention to not merely what superiors and books say, but also realism" is materialism; "exchange, comparison and repeat" is dialectics; and the combination of the two is materialist dialectics. The author pointed out: There are two ways to conduct investigation and study. One is to personally take a hand in leading a working group or dispatching a working group to rural areas or factories. The other way is that if a high-ranking or middle-ranking leading cadre has intimate friends and aides who dare to tell him truth, he may constantly hear through them the voice of grass-roots cadres. Neither of the two ways is dispensable; but in a certain sense, the latter is even more important. For this reason, leading cadres at all levels should make intimate friends in all trades and professions.

"Paying Great Attention to the Problem of Using Religion To Conduct Infiltration" is a letter written by him to Comrade Jiang Zemin in April 1990. He pointed out in the letter: A tactics consistently used by class enemies at home and abroad is to use religion in fighting with us over the support of the masses, particularly the support of the youth. In some countries, the communist parties have learned a tragic lesson of losing political power during such a fighting. Now, the Central Committee should seriously pay attention to this problem and be sure to prevent it from becoming a new factor of instability.

"Treat the Serious Water Problem as a Matter of Strategic Importance" is his written comments made in June 1990 on an article "China's Water Resource Problem and its Solution" co-authored by Comrades Zhang Guangdou and Chen Zhikai. He pointed out in the comments: The work of planned use of water, water conservation, sewage treatment, and tapping of new water resources should be treated as no less important than food grain and energy source, and be included in long-term plan, the five-year plan, and annual plan for

implementation, so as to overcome the present serious water resource crisis.

"Practical Work Should Be Stressed" is the gist of his talk with central leading comrades in June 1990. He pointed out: Since Comrade Jiang Zemin took charge of the work of the Central Committee, a number of good principles and policies have been formulated. Now it is crucial to carry them out. At the same time, we should set aside a certain amount of time to consider strategic questions.

"In Memory of Comrade Li Xiannian" is an article written in July 1992 to mourn for the passing away of Comrade Li Xiannian, originally published in RENMIN RIBAO. The article first recalls the great contributions made by Comrade Li Xiannian to China's revolution and construction. Then, it reads: Although neither Comrade Xiannian nor I have visited the special economic zones, we have always paid attention to their construction. In our view, it is necessary to establish special economic zones, constantly sum up experience, and strive to run them well. In last several years, the Shenzhen Special Economic Zone has begun to change its operation from import-oriented production to export-oriented production, many highrise buildings have been built there, and its development is indeed very fast. Our country's economic construction now is much larger in scale and much more complex than in the past. Some practices which were effective in the past are no longer useful under the present situation of reform and opening up. We must strive to learn new things, make constant exploration, and solve new questions.

"It Is Necessary To Uphold and Strengthen the Authority of the Party Central Committee" is the gist of his talk with responsible comrades of Shanghai Municipality in February 1994. He pointed out in the talk: Since the 1978 Third Plenary Session of the 11th CPC Central Committee, the country's economy has developed rapidly and the people's living standards have improved greatly. These are facts for all to see. Of course, there still exist many difficulties and problems. In order to overcome the difficulties and problems, it is necessary first to uphold and strengthen the authority of the party Central Committee with Comrade Jiang Zemin as the core. If the Central Committee has no authority, we will be unable to accomplish great undertakings, nor will we be able to maintain social stability. The author pointed out: The Central Committee has decided to implement the revenue-sharing system this year to enable itself to gradually amass necessary financial resources. I am very pleased that both Shanghai and all other parts of the country have expressed their approval, showing that everyone is keeping the interest of the whole in mind. The author said: We should

particularly pay attention to one thing in the nation's present economic work — that is, the scale of economic construction must conform to our national strength and have some leeway. At the same time, we should focus our attention on improving economic efficiency. In conclusion, he emphasized in the talk: The current central leading group is strong and capable, doing a pretty good work. The whole nation should work with one heart and one mind, unite as one, and implement to the letter the principles, policies and measures of the party Central Committee and the State Council. China's economic development is full of promise. Socialist China has a good future.

Nobel Laureates Call For Wei Jingsheng's Release

*HK2306074795 Hong Kong AFP in English
0732 GMT 23 Jun 95*

[FBIS Transcribed Text] Beijing, June 23 (AFP)—Six Nobel Peace Prize laureates have written to Chinese Premier Li Peng calling for the release of leading dissident Wei Jingsheng, who has spent more than 14 months in detention.

The letter, dated June 20 and released to the press here Friday, was signed by Oscar Arias Sanchez, Mairead Corrigan Maguire, the Dalai Lama, Adolpho Perez Esquivel, Archbishop Desmond Tutu and Elie Wiesel.

It also called for Wei to be awarded the 1995 Nobel Peace Prize.

"We strongly recommend to the PRC (People's Republic of China) government that — in conformity with the Chinese constitution and with international human rights agreements to which it is a signatory — it grant Mr. Wei his immediate and unconditional release," the six wrote.

Wei, 45, who is considered as one of the fathers of the Chinese dissident movement, has been held at a secret location since he was picked up on April 1 1994 on suspicion of "committing new crimes."

After serving a 14-year jail sentence for his role in the Democracy Wall Movement in 1978 and 1979, he was released on parole in September 1993 as China mounted an international charm offensive in a bid to secure the 2000 Olympic Games for Beijing.

Pro-Democracy Petitioners 'Still Behind Bars'

*HK2306050795 Hong Kong AFP in English
0441 GMT 23 Jun 95*

[FBIS Transcribed Text] Beijing, June 23 (AFP)—Leading dissidents who signed petitions for democracy ahead of the June 4 anniversary of the Tiananmen

Square massacre are still behind bars, the New York-based group Human Rights in China reported Friday.

The detainees including a former student leader in the 1989 protest movement, Wang Dan, trade union militant Liu Nianchun, and Liu Xiaobo and Xu Yonghai, it said in a fax received here. [sentence as received]

It added that the dissident Shao Jiang, who was released on June 6 after six weeks in detention, had been threatened by police on Thursday in the northeastern city of Tianjin.

Police told him they would be "ruthless" towards him if he renewed his dissident activities, the group said.

Shao, who played an important role in the events of 1989, was arrested on April 21 in the southern city of Guangzhou at the start of the annual crackdown on pro-democracy activists in the runup to the anniversary of the massacre.

In all, about 50 dissidents and intellectuals were arrested or held for questioning.

Shao was released after his fiancee, Zhang Xiaohong, paid bail of 850 yuan (102 dollars). Guangzhou police then authorised him to be transferred to Tianjin, his city of origin, Human Rights in China said.

Shao says that his detention was illegal, because police only had a 24-hour arrest warrant.

The dissident, who has been ill for the past month, added that he was held in a cell of 45 square metres (460 square feet) with about a hundred other people, the organisation reported.

**Homosexual Group Letter Condemns
Discrimination**

*HK2306081095 Hong Kong AFP in English
0746 GMT 23 Jun 95*

[FBIS Transcribed Text] Beijing, June 23 (AFP)—A group of Chinese homosexuals issued Friday an open letter condemning social discrimination and pledging to pursue the "long march" for gay rights in China, following the example of communities abroad.

The letter was signed by the Chinese Rainbow, describing itself as a "group of Chinese bisexuals, lesbians and gay men," and is to be distributed to foreign and domestic media organs, intellectuals and homosexuals, a member of the group said.

Praising the achievements of the U.S. gay community on the 26th anniversary of the Stonewall incident, a protest by non-heterosexuals in New York's Greenwich Village, the letter said, "we are deeply aware that in

our own struggle in China for the rights we deserve, we must continue to fight."

"You lesbians, gays and bisexuals abroad have already travelled a bloodstained road and we can see the fruits of your achievements. We now have taken the first step in our long march," it said.

Whether in New York or "at the foot of the Great Wall in Beijing, hand-in-hand and heart-to-heart, we move forward to strive for all we deserve," it added.

Burdened by massive social discrimination and scant teaching about their sexual orientation, few Chinese gays dare to speak out. Many instead close themselves off from the world, tormented by guilt.

More than 90 percent of homosexuals over the age of 30 in China submit to social pressure to get married, according to one activist.

The activist is one of a small but growing number of homosexuals in major Chinese cities starting, in a low-key way, to try to educate society — including the gay community — and demand greater rights.

The open letter, referring to the 50th anniversary of the world's victory over "fascism" in World War II, condemned all forms of social discrimination.

"Even now fascism is far from dead. Society is rife with discrimination, hate and even murder on the grounds of religion, skin colour, race, sex and so on," it said.

"The consequences are unimaginable if society does not re-examine moral norms and the intolerance and inequality that exist in human relations. Differences in sexual orientation alone may be enough to spark the return of fascist behaviour," it said.

Law Prohibiting Stimulants in Sport Formulated

OW2306063595 Beijing XINHUA in English
0615 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — China is formulating a law which will ban the use of stimulants by Chinese sportsmen.

The draft Physical Culture Law, submitted to the Standing Committee of the National People's Congress for approval today, provides that all banned medicines and therapies are absolutely prohibited in any sports event.

China is firm and clear-cut in opposing the use of any stimulant. The formulation of the law will give an impetus to work in this respect, help to implement the principle of fair competition, and benefit the physical and mental health of sportsmen, said Wu Shaozu, minister of the State Physical Culture and Sports Commission.

Owing to intensified competition in sports, cases of violation of sports ethics and abuse of chemical substances by competitors had appeared, he added.

As early as 1989 China put forward a "three stricts" principle, namely strict ban, strict check-up and strict punishment, to deal with this problem.

The draft law stipulates that national team members will face administrative disciplinary punishment in accordance with the law in addition to punishment given by sports organizations if he or she breaks the law.

The drafting of the physical culture law will facilitate coordinated development of mass sports and competition, and deepen the reform of China's sports setup, Wu said.

The draft law stipulates that sports administration departments should take mass sports activities as a major task and set criteria, enhance supervision and train more coaches.

For the first time, the draft law has set rules on the status, role and function of sports associations, which pave the way for a transition from direct administrative control to association management.

The state is to support sports education and research, and strengthen scientific management of sportsmen, it provides.

In view of the fact that sports facilities lag far behind the need for development in both urban and suburban areas as well as the low utilization rate and heavy damage to sports installations, the draft law stipulates that all governments and schools should provide sports sites and installations, which should be open to the public. No organization or individual will be allowed to occupy or damage such sites or installations.

Wu said sports activities in China have experienced a rapid growth in recent years. However, problems still exist in some aspects. The drafting of the physical culture law is a must for the solution of these problems, he emphasized.

Draft Civil Aviation Law Makes Safety Priority

OW2306084695 Beijing XINHUA in English
0812 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — The draft Law on Civil Aviation, which was submitted to the Standing Committee of the National People's Congress (NPC), China's legislature, for deliberation today, has put safety at the top of the agenda.

"This is largely because aircraft travel at higher speeds, the risks are greater and the demands on technology are

stricter than with other transportation means," said Chen Guangyi, director of the Civil Aviation Administration of China (CAAC), who explained the draft law to the legislators participating in the eight-day session of the NPC Standing Committee, which opened here today.

According to the director, equal emphasis is placed on the legal supervision of administrative management and of commercial management. This brings China's laws on civil aviation close to the accepted international conventions, he noted.

The draft law provides that the design, production, import, export, maintenance and repair of aircraft must first get permission from the responsible departments under the State Council, China's cabinet. Only with such permission can aircraft be allowed to fly.

The law also stipulates that aviation personnel must have special training. They will only be allowed to work after they pass examinations and receive licences. License-holders will be examined periodically.

The draft law also designates the duties of the crew, especially the captain, in the process of flying. That is, if an aircraft does not have a full crew it may not fly, and before taking off the captain must conduct the necessary checks of the aircraft.

Newly-built, updated and expanded airports for civil aviation may not operate without the necessary permission.

The draft law states that the country exercises overall management over its airspace.

The draft law, with 16 chapters and 223 articles, also makes stipulations about the nationality of an aircraft and its rights, public aviation transportation, search and rescue procedures, and accident investigation.

Beijing Drafts Law on Medical Practice

OW2306091995 *Beijing XINHUA in English*
0801 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — China will institute overall qualification examinations for medical practitioners and tighten up the registration of doctors by means of law to improve their professional skills and ensure people's health, Minister of Public Health Chen Minzhang said today.

Entrusted by the State Council, Chen submitted a draft law on medical practitioners to the 14th session of the National People's Congress (NPC) Standing Committee which opened here today.

"The overall exam will prevent unqualified medical people from occupying the position of doctor, and a new registration system will help public health departments

exercise better management of doctors," the minister said.

According to Chen, China has more than 1.425 million medical practitioners and 432,000 medical assistants working in more than 200,000 medical institutes.

But due to lack of proper management, the quality of doctors has been hard to ensure, the minister said.

In 1987, China had 777,000 medical practitioners. However, without strict appraisal, a large number of medical people have called themselves doctors over the past few years. In just two years after 1987, the number of so-called medical practitioners reached 1.258 million, which far exceeded China's ability to train doctors at that time.

Chen noted that the draft law has detailed regulations on the rights and duties of doctors.

The problem of illegal medical practitioners cheating people of money can only be solved with laws, he said.

The draft law has special articles about the 930,000 medical people in the countryside, saying that they play an important part in rural medical undertakings, and the State will carry out training programs for them.

It also mentions that China will readjust the management of overseas doctors practising in China.

Article Assails U.S. Human Rights Abuses

OW2206133895 *Beijing BEIJING REVIEW in English*
19-25 Jun 95 No 25, pp 15-19

[Article by William N. Brown, professor of management at Xiamen University]

[FBIS Transcribed Text] To witness China's reforms first hand, my wife, two small sons and I traveled in our van, unescorted, without prearranged itinerary, over 35,000 km across China. We journeyed from Hainan Island in the south to Inner Mongolia in the north and across the world's highest highway into Tibet in the west.

China is surely one of the most open nations in the world! Once outside our home province, Fujian, we were totally unhindered in our travels. The stark contrast between China and most other less developed countries (LDCs) is obvious.

Many LDCs are stagnating or declining but China, saddled with one-fifth of the world's population, is building highways, schools and industry in every corner. Grave problems notwithstanding, China's people have a promising future.

Why on earth does America, year after year, harp on human rights in China but ignore and even abet grievous abuses elsewhere?

Western human rights rhetoric serves only to discredit and prostitute this most noble of causes, because in both theory and practice the West's only concern is trade rights, not human rights. In fact, the West denies LDCs any right but that of trade.

Is Life a Right?

In 1944, as World War II was winding down, Roosevelt declared in his Economic Bill Of Rights: "...an equally basic essential to peace is a decent standard of living for all individual men and women and children in all nations. Freedom from fear is eternally linked with freedom from want....Necessitous men are not freemen."

His inalienable "rights" included adequate food and clothing, a useful job, a decent home, adequate medical care, protection from "the economic fears of old age, sickness, accident, and unemployment....

Like Jefferson, who had championed our "inalienable right to life, liberty and happiness", Roosevelt averred, "In our day these economic truths have become accepted as self-evident."

How times have changed. The author of "Political Pricing" (Forbes, July 5, 1993) argues that for government to make basic necessities affordable is to "destroy the freedom to make choices". Then he attempts to demean human rights with a ludicrous analogy:

"The federal government could make a Rolls-Royce affordable for every American, but we would be a much poorer country, because of all the vast resources transferred from other economic activities to subsidize an extravagant luxury."

But the issue is basic subsistence, not extravagance!

He caps off his sophism by arguing that history proves that making food affordable actually leads to higher levels of hunger; and subsistence right "certainly sounds nice. But...for society as a whole, nothing comes as a 'right' to which we are entitled....

So what "right" is American championing? Only the right of trade.

In 1842, President Adams' enthusiastic support for Britain's Opium War inaugurated the era of American human rights rhetoric:

"The fundamental principle of the Chinese Empire is anticommercial....It admits no obligation to hold commercial intercourse (i.e., import opium) with others...it is time this outrage upon the rights of human nature, and

upon the first principles of the rights of nations, should cease."

Thus China's first "human rights violation" was its objection to Western opium trafficking! By 1925, fully half of the colonial profits from Asia were derived from the opium trade — but the human horror was denied, even justified, in defense of that paramount right-trade.

After Parliamentary debates on the opium question, Lord Ashley recorded in his diary, "Very remarkable, not one person even attempted to touch the morality of the question; that seemed to be tacitly, but universally, surrendered."

Indeed! And never since has morality or humanity been an issue.

The Democracy Myth

Typically, Western nations deny the existence of "economic rights" but clamor for political rights, yet in practice they deny liberty as surely as they deny life. Their *raison d'être* is seen clearly in President Reagan's defense of the Republic of Korea's authoritarian government: "Democracy isn't suitable for rapid economic growth."

Economist Gerald Roberts elaborated on this in "Freedom Growth and Equity" ("Economist Intelligence Unit" 1987 volume on South America). He claimed that America became a great power not because of democracy but in spite of it, and that both the United Kingdom (UK) and Germany rose to supremacy before granting democracy, and since achieving democracy, the UK "has been in relative economic decline ever since".

Thus, "for a South American country to combine democratic politics with rapid economic growth...would be difficult and unusual."

Such an ideology has dire portent for nations like Chile, where Stanley Mooneyham, founder of the Christian humanitarian organization World Vision, found that 1 percent of Chile's plantation owners own 43 percent of the land, denying most peasants both land and livelihood.

Chile's democratically elected president, Allende, attempted reforms — but human rights and trade rights do poor bedfellows make. In 1973, with the support of American business and government, General Pinochet murdered Allende and established a military dictatorship.

Pinochet curtailed social aid and restricted access to secondary and higher education; unemployment rose; and thousands of dissidents were murdered. And America

responded to the wave of terror by immediately pumping millions of dollars into the new dictatorship.

At least America's ambassador to Chile, David Popper, had a conscience, but when he suggested that the Chilean junta was violating human rights, he was promptly rebuked by Henry Kissinger, who sent word: "Tell Popper to cut out the political science lectures." (1)

The business community cheered Chile's newfound "human rights". Business Week (August 9, 1976, p.36) wrote: "Chile is the model, in purest form, of the new strategy of economic development based on market competition, free enterprise, and an opening to the exterior."

In the early 1990s, Amnesty International estimated that up to 10 percent of Chilean peasants had been tortured, but one of Pinochet's many American admirers wrote in his 1991 bestseller that other nations need "a powerful transitional head of state like General August Pinochet of Chile" to "restore the economy sufficiently for democracy to take root and flourish".

Sadly, too many nations already enjoy such "democracy", thanks to the billions America spends on Latin America's "internal security" to fight not foreign subversives but the impoverished peasantry.

In Guatemala, where World Vision's Stan Mooneyham reported that 0.2 percent of the population controlled 40.8 percent of the land, (2) President Rios Montt met the peasants' pleas for justice by murdering thousands during his 1982 "clean up". That December, Reagan praised Montt as "totally committed to democracy", "a man of great personal integrity" who "wants to improve the quality of life for all Guatemalans".

In Bolivia' peasants starve because 6.3 percent of the population monopolizes 91.9 percent of the land. (3) But when Bolivian Army General Hugo Banzer Suarez took power in his 1971 coup, his police tactics, arrests, and torture of the impoverished peasants brought such peace and stability" that he immediately received US\$1.2 billion in foreign loans from the International Development Bank, the World Bank, the US Export-Import Bank, private consortia and other governments.

When a US banker was asked if he thought elections might be called, he replied, "I hope not!" He argued that for the first time since 1823, Bolivia had the "stability and favorable business climate" it had never achieved under democracy.

For decades we catered to the ruthless Dominican Republic dictator Trujillo, who monopolized 65-85 percent of the country's economy. (4) We averted our eyes in October 1937 when he massacred between 15

and 20,000 Haitians to keep them from "Africanizing" the population. US President Franklin D. Roosevelt casually dismissed his human rights abuses: "He may be an S.O.B., but he is our S.O.B."

President Marcos extorted billions of dollars from the impoverished Filipinos and murdered thousands of dissidents. I visited families whose loved ones had been dragged from their homes at midnight by security forces, tortured, shot and buried in anonymous graves.

But Marcos maintained a "favorable business atmosphere", and President Reagan praised him as a man "pledged to democracy". Vice-President Bush toasted the despot for his "service to freedom and to our country" with the words: "We stand with you....We love your adherence to democratic principles and to the democratic processes." (State Department Bulletin 81, August 1981, p.30)

Even far-flung African nations have benefited from this unique version of "democracy" and "human rights". While Zaire's President Mobutu accumulated a personal fortune of US\$4-5 billion — equal to Zaire's foreign debt — America ignored his atrocities because:

"Mobutu's personal ambition meshed with America's strategic needs. As Devlin (the CIA agent who recruited him) says dryly, 'He needed us and we needed him'." (Time, February 22, 1993)

By now it should not be surprising that American Congressman Edward Koch called Uruguay the "torture-chamber of Latin America", but economist Gerald Roberts glowingly praises it as "a haven of political stability and investment". The connection is inescapable — because it is not only condoned but calculated.

Human Rights Abuse

Years ago, a top secret US Defense Department study noted: "For a few weeks in September, 1945, Vietnam was — for the first and only time in its modern history — free of foreign domination, and united from north to south under Ho Chi Minh...." That was soon remedied.

The French, lured by Vietnam's vast natural resources, hid colonized and ravaged IndoChina from the 1700s until driven out by the Japanese. After the defeated Japanese departure in 1945, Ho Chi Minh and a million jubilant Vietnamese thronged Hanoi's streets to celebrate freedom and their new Declaration of Independence.

Just as the Americans in 1776 listed their grievances against England, so the Vietnamese listed their complaints against French rule:

"They have enforced inhuman laws....They have built more prisons than schools....They have drowned uprisings in rivers of blood....They have robbed us of our rice, our mines, our forests and our our materials....

"They have invented numerous unjustifiable taxes and, reduced our people, especially our peasantry, to a state of extreme poverty....

"The whole Vietnamese people, animated by a common purpose, are determined to fight to the bitter end against any attempt by the French colonialists to reconquer their country."

The West's swift response was swift. England immediately occupied southern Vietnam and handed it back to France; the United States persuaded Chiang Kai-shek to return the northern portion to France; a bewildered Ho Chi Minh told an American journalist, "We apparently stand quite alone....We shall have to depend on ourselves."

Between October 1945 and February 1946, Ho Chi Minh wrote eight letters to President Truman. In one he noted:

"I wish to invite attention of your Excellency for strictly humanitarian reasons to following matter. Two million Vietnamese died of the starvation during winter of 1944 and spring 1945 because of starvation policy of French who seized and stored until it rotted all available rice....Unless great world powers and international relief organizations bring us immediate assistance we face imminent catastrophe....

America responded to this poignant plea for justice by financing 80 percent of France's eight-year war and then sent her own troops when France threw in the towel — because a 1953 congressional study had reported "...Indo-China is immensely wealthy in rice, rubber, coal and iron ore."

America bombarded Vietnam with over 7 million tons of bombs, more than twice the total dropped on Europe and Asia in World War II — a 500-pound bomb for almost every single Vietnamese. We left 20 million bomb craters, and an area the size of Massachusetts was blanketed with poisons that killed plant growth and trees.

Over a million Vietnamese and over 50,000 Americans perished. But America lost more than just a war. Within a decade of the war's end, over 50,000 Vietnam veterans had committed suicide — unable to live with the knowledge of their role in their mighty nation's rape of a tiny Southeast Asian country, ostensibly for democracy and freedom, but in actuality to protect the trade, in rice, rubber, coal and iron.

Human Rights in USA

Americans have largely ignored social justice as a "Third World" problem, but the chickens may be coming home to roost. Time Magazine (June 24, 1991) reported that many Americans already live in "Third World poverty".

The economic pressures have accelerated the fragmentation of families, and U.S. News and World Report (July 22, 1991, p. 11) revealed that while in 1965, 23.6 percent of black kids were born out of wedlock, today that figure is "61 percent of black kids were born out of wedlock, today that figure is "61 percent nation ally — and approaches 80 percent in many cities". [sentence as published] And only 6 percent of black children are likely to live with both parents until age 17.

While many know firsthand that Roosevelt's "decent standard of living" is no longer an inalienable right, they may not suspect that liberty may be the next casualty.

A 1976 report for the Trilateral Commission warned that America was threatened by "markedly higher levels of self consciousness on the part of blacks, Indians, Chicanos, white ethnic groups, students and women, all of whom became mobilized and organized in new ways..." The report concluded that America had "an excess of democracy" and suggested "desirable limits to the extension of political democracy."(5)

The rise in youth's frustration and helplessness has been paralleled, not surprisingly, by an escalation in crime; today, one out of four black men between the ages of 20 and 29 is in prison, on parole or on probation. But this mushrooming prison population helps trade!

While America deplores China's prison labor and refuses to import prison-made products, her own export of prison-labor items is booming. And the labor is not voluntary. Business Week (February 17, 1992, p. 33) reported, "New York has begun to put inmates in solitary confinement for 23 hours a day if they refuse work assignments." Over 20 states are following suit.

Rights for China?

The West has denied every conceivable human right to LDCs and may now curtail its own citizens liberties as well-so why the sudden passionate concern for China's human rights? Dare we believe it has a more humane agenda than it has written for the rest of the Third World?

In the early 20th century, Chinese advocates for democracy were shot down by Western police for their "encroachment on foreign rights". J.O.P. Bland, the tribune of the Treaty Ports, wrote, "Elected Assemblies and

democratic institutions are wholly inapplicable because they are unintelligible to the race mind of Asia." Chinese are "manifestly incapable of self-government".

In the 1940s, thousands of Chinese starved not only in the hinterlands but on the streets of Shanghai and Guangdong as well, in full view of the West, but no tears were shed over human rights. Life was no more of a right than liberty.

Now China has changed. In October 1993, Robert McNamara, former World Bank president and secretary of defense, awarded China's former agricultural minister the 1993 World Food Prize and praised China's agricultural gains as "something of a miracle, a human development miracle, that has gone largely unnoticed in the West".

The miracle was not unnoticed at all, merely pointedly ignored, for hunger is not an evil but an exploitable asset, and China's self-sufficiency bodes ill for Western strategists.

During 1974's calamitous worldwide famines, American officials observed:

"Food is a weapon. It is now one of the principal tools in our negotiating kit." (Earl Butz, US secretary of agriculture)

"Food is power. In a very real sense it is our extra measure of power." (US Senator, Hubert Humphrey)

"In a hungry world, the US near-monopoly as a food exporter...could give the US a measure of power it never had before — possibly an economic and political dominance greater than that of the immediate post-World War II years....Washington could acquire vital life and death power over the fate of multitudes of the needy." (C.I.A., Office of Political Research)

What drives the richest nation on earth to preach human rights while scheming to achieve "vital life and death power over the fate of multitudes of the needy"? Little has changed during the 3,000 years since Solomon sighed, "A poor man's field may produce abundant food, but injustice sweeps it away." (Prov. 13:23)

During my seven years in China I've seen scores of grave problems that the Chinese must indeed address. But if the West expects to address human rights issues anywhere, it should heed Hoffman's(6) warning: "Shouldn't we (America) first put our house in order? Like charity, well-ordered crusades should begin at home."

It is high time we get off our moral high horse, abandon our rhetoric and work to make human rights a reality.

Notes:

1. Zinn Howard: *A People's History of the United States*, p.542, Longman, New York, 1980.

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Newspaper Views Post-'97 Links With Taiwan

HK2206155195 Beijing XINHUA Hong Kong Service
in Chinese 1058 GMT 22 Jun 95

[Article by Wen Di (2429 6611): "Adhere to the One-China Principle, Maintain and Develop Hong Kong-Taiwan Relations After '1997'; to be published in the 23 June edition of RENMIN RIBAO]

[FBIS Translated Text] Beijing, 22 Jun (XINHUA) — RENMIN RIBAO tomorrow will carry a signed article by Wen Di, entitled "Adhere to the One-China Principle, Maintain and Develop Hong Kong-Taiwan Relations After '1997.'" The full text is as follows:

At the Fifth Plenary Session of the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administration Region [SAR] which was held on 22 June, Vice Premier Qian Qichen announced, on behalf of the State Council, the basic principles and policies of the central government on handling Hong Kong-Taiwan relations after "1997." On the question of handling Hong Kong-Taiwan relations after "1997," these basic principles and policies, which specifically embody Deng Xiaoping's concept of "peaceful reunification and one country-two systems," constitute an important component part of a series of principles and policies of the central authorities for maintaining Hong Kong's prosperity and stability, and for promoting the peaceful reunification of the motherland. They also serve as the guidelines for the future SAR government to handle matters involving Taiwan. The implementation of these principles and policies will be of far-reaching and positive influence on continuously maintaining and developing Hong Kong-Taiwan nongovernmental contacts after "1997," safeguarding the just rights and interests of Hong Kong and Taiwan compatriots, and promoting the motherland's reunification and the nation's revitalization.

First, adherence to the "one-China" principle is the fundamental guideline of the State Council's policies on Hong Kong-Taiwan relations after "1997."

Hong Kong and Taiwan are inseparable parts of China's territory. It long has been the common aspiration of all the Chinese people — including the Hong Kong and Taiwan compatriots — for the Chinese Government to resume the exercise of sovereignty over Hong Kong, and to wash off the shame imposed by colonial rule. After "1997," Hong Kong will practice "one country-two systems" in light of the Basic Law, and will become an SAR directly under the central government. Its ties with Taiwan will be a special component part of cross-strait relations. For this reason, all exchanges and contacts between Hong Kong and Taiwan are to be carried out under the "one-China" principle. Taiwan-related matters in post-1997 Hong Kong which concern state sovereignty and cross-strait relations are to be arranged and handled by the Central People's Government, or by the SAR Government under guidance of the Central People's Government. The official contacts and consultations carried on between the SAR and Taiwan in any name, the signing of agreements, and establishment of offices must be submitted to the Central People's Government for approval, or be approved by the SAR chief executive with the authority of the Central People's Government. These principles and policies endorsed by the State Council determine the nature of Hong Kong-Taiwan relations after "1997," and on this basis, they divide and define the rights of the Central People's Government and the SAR Government in handling Hong Kong-Taiwan relations, and lay down provisions for specific matters. These policies manifest the importance of adhering to the "one-China" principle and of safeguarding state sovereignty and territorial integrity. Meanwhile, these policies also respect the SAR's high degree of autonomy, which corresponds with the status of Hong Kong as a special administrative region directly under the Central People's Government.

Second, the basic spirit of the State Council's policies on handling Hong Kong-Taiwan relations after "1997" is to continue to maintain and develop Hong Kong-Taiwan nongovernmental exchanges and contacts after "1997."

Hong Kong and Taiwan have maintained very close economic, trade, and cultural exchanges and personnel contacts. With the continuous development of cross-strait ties, more than 1 million Taiwan compatriots are going to the motherland via Hong Kong every year in order to visit their relatives and friends, travel, or engage in economic and trade businesses. Hong Kong-Taiwan investment, trade, and financial activities have developed rapidly. The motherland and Hong Kong have become the largest market for Taiwan products. Hong Kong

Taiwan trade and Hong Kong's transit trade between the two sides of the strait have become the largest source of Taiwan's trade surplus. The relevant principles and policies endorsed by the State Council clearly declare that after "1997," the current Hong Kong-Taiwan non-governmental exchanges and contacts, including economic and cultural exchanges and personnel contacts, will basically remain unchanged. Investment, trade, and other industrial and commercial activities by Taiwan inhabitants, as well as all sorts of Taiwan capital in Hong Kong, are encouraged and welcomed, and their just rights and interests in Hong Kong will be protected according to the law. Sea and air transportation between Hong Kong and Taiwan will be maintained, and will continue on the basis of the principle of mutual benefit. Taiwan inhabitants may enter or leave Hong Kong, and may go to school, seek employment, or reside there in light of the SAR law. The nongovernmental groups and organizations in Hong Kong may maintain and develop ties with relevant nongovernmental groups and organizations in Taiwan based on the principles of neither side subordinating to the other, non-interference in each other's affairs, and mutual respect. Undoubtedly, these policies will play an important and positive role in safeguarding the just rights and interests of Hong Kong and Taiwan compatriots, reassuring popular feeling, and promoting Hong Kong's smooth transition and the common prosperity of Hong Kong and Taiwan.

As a free port and a key international financial, trading, shipping, tourist, and information center, Hong Kong enjoys an important status, and is influential in the economic development of the Asia-Pacific region. In the past, with its unique status and role, Hong Kong acted as an intermediary for cross-strait relations, and above all, in the rapidly developing economic ties and trade between the two shores. After "97," relations between the Hong Kong SAR and the Taiwan region will be a special part of cross-strait relations. According to the fundamental principles and policies set by the State Council, the Hong Kong SAR, under the "one-China" principle, will continue and develop nongovernmental economic ties and trade with the Taiwan region. This will help maintain Hong Kong's prosperity and stability, and definitely will promote cross-strait relations even more powerfully toward a new era of historical development.

Third, one of the key components of the State Council's policy toward the Taiwan-related issues in post-97 Hong Kong is to provide proper arrangements for Taiwan institutions and personnel based in Hong Kong.

For historical reasons, there are certain Taiwan institutions and personnel in Hong Kong. Regarding this, Deng Xiaoping and Ji Pengfei stated as early as 1984: After "97," Taiwan KMT members and institutions in

Hong Kong "can still stay." "In action, they must be careful not to create confusion, and they cannot pursue 'two Chinas.'" As long as they "observe the law of the land, they can enjoy the same rights as other Hong Kong citizens and institutions. Their legitimate rights and interests will be protected by law." "We are convinced that they, too, are Chinese; they will side with the national cause, and will defend our national situation and dignity." It is hoped that they "will contribute to the nation's restoring the exercise of its sovereignty over Hong Kong, and to the effort to maintain Hong Kong's prosperity and stability." Concerning the basic principles and policies for handling the Taiwan presence in post- "97" Hong Kong, the State Council reiterated: "Taiwan personnel and institutions currently staying in Hong Kong are allowed to stay. In their action, they must strictly observe the Basic Law of the PRC Hong Kong SAR. They must not violate the "one-China" principle or pursue activities injurious to Hong Kong's prosperity and stability, and not conforming with the nature of their registered activities. We encourage and welcome them to contribute to the reunification of the motherland and to the maintenance of Hong Kong's prosperity and stability." This declaration underlines again the spirit of the policy for handling and dealing with Taiwan institutions and KMT members in Hong Kong, which is to uphold the "one-China" principle and firmly safeguard Hong Kong's prosperity and stability. The consistency and seriousness of this fundamental spirit are unshakable.

What must be pointed out is that for a long time the Taiwan authorities have adopted an attitude of "nonrecognition" toward the Central People's Government's restoring the exercise of sovereignty over Hong Kong, and have wantonly maligned and attacked the "one country-two systems" to be adopted in Hong Kong. Recently, the Taiwan authorities came up with a so-called "Hong Kong and Macao Relations Act," which restricts and prevents nongovernmental exchanges between the Hong Kong and Macao regions and the Taiwan region after "97" and "99," and attempting to "provide essential aid" to certain saboteurs in the Hong Kong and Macao regions, trying to goad them into creating confusion and confronting the Basic Law. Earlier, the leaders of the Taiwan authorities had the nerve to publicly declare that they would "participate further in Hong Kong and Macao affairs" and "join Hong Kong and Macao compatriots in the common pursuit of democracy, freedom, stability, and prosperity." In reality, all they want is to destroy the prosperity and stability of the region, and the smooth implementation of "one country-two systems" there by interfering in Hong Kong and Macao affairs. Such actions by the Taiwan authorities go against the great national cause; will seriously jeopardize the rights,

interests, and welfare of the Hong Kong and Macao compatriots; and are highly unpopular. We firmly oppose any of the Taiwan authorities' conspiracies and actions aimed at interfering in Hong Kong and Macao affairs, disrupting the implementation of "one country-two systems" in the Hong Kong and Macao regions, and destroying the prosperity and stability of Hong Kong and Macao. The Taiwan authorities should genuinely respect the wishes and interests of the Hong Kong, Macao, and Taiwan compatriots, and lift the unreasonable preventions and restrictions against normal people's exchanges between the Hong Kong and Macao regions and the Taiwan region after "97."

The day the Chinese Government resumes the exercise of sovereignty over Hong Kong is approaching. Vice Premier Qian Qichen's announcement, on behalf of the State Council, of the fundamental principles and policies for handling the Taiwan-related issues in Hong Kong after "97" was extremely necessary and timely. We believe that this important policy announcement will provide a direction for the efforts to safeguard and develop various nongovernmental exchanges between Hong Kong and Taiwan under the "one-China" principle. We hope that the broad mass of Hong Kong and Taiwan compatriots will join us for efforts to maintain Hong Kong's prosperity and stability, open up a new dimension in the development of cross-strait relations, and achieve peaceful national reunification and national wealth and strength.

CHENG MING Blasted for Shoddy Journalism

HK2306013495 Beijing XINHUA Hong Kong Service
in Chinese 1210 GMT 15 May 95

[Report by Zong Ping (1350 1627): "Hong Kong's CHENG MING Magazine Creates Rumors To Cheat the World and Disturb People's Minds"]

[FBIS Translated Text] Hong Kong's CHENG MING magazine has long been engaged in creating a myriad of rumors against the Chinese mainland. Dishing out one article after another on so-called "inside stories" concerning China's leadership, this magazine has made up sensational false stories on the convocation of high-level meetings, personnel reshuffles, and restricted speeches within the CPC. In particular, stories fabricated in the two notorious columns "Notes on a Northern Journey" and "Reports on Special Topics" by Luo Ping and Li Tzu-ching are becoming more and more bizarre, and the imagination of these two columnists can be acclaimed as the acme of perfection.

First of all, Deng Xiaoping is CHENG MING's top target in creating false stories. As the chief designer of China's reform, opening up, and modernization drive,

and also the founder of the theory on building socialism with Chinese characteristics, Deng Xiaoping enjoys high prestige among the Chinese people and among the people of the whole world. Therefore, CHENG MING has cudgeled its brains to fabricate Deng Xiaoping's activities and speeches, with an attempt to create as many purely fictitious stories as they possibly can. For example, an article in the magazine's January 1993 issue claimed that Deng Xiaoping inspected a number of army units and navy bases and gave several speeches during his trip to Tianjin, Jinan, and Qingdao on 28 November 1992. Another article published in the magazine's February 1993 issue stated that Deng Xiaoping went to Suzhou on 10 December 1992 and held a "high-level briefing" on 19-20 December; at the meeting, which was attended by Chen Yun, Peng Zhen, Bo Yibo, Jiang Zemin, Qiao Shi, Liu Huqing, Li Ruihuan, and a number of CPC Political Bureau members, Deng Xiaoping put forward a four-point view, while Chen Yun talked about the issue of rectifying party work style. On 25 December, Deng Xiaoping arrived in Shanghai where he listened to work reports given by Wu Bangguo and Huang Ju, and made some remarks on local work. According to an article in the March 1993 issue, Deng Xiaoping called an enlarged session of the CPC Political Bureau in Shanghai on 26 January, and put forward a five-point view at the meeting. An article published in the magazine's April 1994 issue claimed that after being briefed by Jiang Zemin, Li Peng, Qiao Shi, Liu Huqing, Lu Ping, and Zhou Nan on the latest developments in the Hong Kong issue on 13 March, Deng Xiaoping talked about the possibility of "regaining the sovereignty of Hong Kong ahead of schedule." According to an article in the June 1993 issue, Deng Xiaoping called a meeting in Laoshan on the morning of 16 May to dwell on several current key issues. According to another article published in the December 1993 issue, Deng Xiaoping talked about the arrangements after his own death during his meeting with the leading cadres in charge of the CPC Central Military Commission, all arms of the services, and all major military regions in the Great Hall of the People on the evening of 2 November. This year, CHENG MING went so far as to concoct a "Special Column on Post-Deng Affairs" in its February issue, which cooked up such wild tales as "high-ranking CPC officials are going hither and thither to exchange information on the post-Deng arrangements" and "the Beijing Garrison Command has been put on second-degree alert"; what is more, the column even fabricated a detailed plan on how the "death" of Deng Xiaoping will be made known to public, as well as 10 "safety measures for the prevention of possible riots." The March issue "arranged" the namelist of 11 new Standing Committee members of

the CPC Political Bureau, while the April issue claimed that Deng Xiaoping made some remarks during a party-life meeting he held in his home in late February. Our investigations have showed, however, that none of the so-called "inside stories" mentioned above is true.

Meanwhile, CHENG MING has often cooked up stories about meetings held within the CPC. For example, according to an article in the magazine's May 1993 issue, the seventh work conference of the CPC Political Bureau was convened in Huairen Hall at Zhongnanhai on 8 April; an article published in the June issue stated that the CPC Political Bureau held a party-life meeting in Zhongnanhai on 26 April; according to an article in the August issue, the party Central Committee called a Political Bureau Standing Committee session at which eight consensuses were reached and three resolutions adopted; and according to another article that appeared in the March 1993 issue, the Political Bureau called on 20-21 January its first enlarged meeting of 1994 in Zhongnanhai. All the aforementioned articles carried vivid and detailed descriptions of the agenda of the meetings, as well as the "speeches" and even the "expressions" of those present, as if CHENG MING had sent its men to personally attend these meetings. What is regrettable is that the CPC Central Committee never called such meetings at the times mentioned above, and all the reports carried by CHENG MING therefore are sheer fiction.

According to an article carried by CHENG MING's July 1994 issue, the Information Office of the State Council called a national symposium on press work on 22 May; and at the meeting, Zhu Muzhi criticized by name a number of media outside of Chinese territory, enumerating their common characteristics in bringing groundless accusations, making slanderous charges, stirring up trouble, and concocting rumors. These included making up false stories about the so-called power struggles at the top levels of China's party, government, and Army; fabricating wild tales about the power struggles between localities and the central authorities; spreading such alarming remarks as China's economic development and reforms are in deep trouble; making up stories of political turbulence inside China; cooking up rumors on China's mistreatment of prisoners, and propagating the subversive activities carried out by underground hostile organizations and elements inside the country; stealing, by means of money, information concerning the movements of Chinese party, government, and Army leaders, and then making hostile propaganda and vicious charges against them; and attempting to stir up trouble and bring up accusations by fabricating slanderous stories about the dark side of the Army, party, and government institutions, public security organs, and ju-

dicial departments. As a matter of fact, the State Council Information Office has never called such a meeting, and Zhu Muzhi has not been the director of the State Council Information Office since before 1994. However, all the rumors concocted by CHENG MING and all its past conduct can well serve as a confession and a self-portrait of the magazine, and have also proved to be the outline of the magazine's plan to mislead the public with rumors.

The techniques employed by CHENG MING in fabricating rumors are not at all brilliant or clever. The magazine either cooks up rumors out of imagination according to its wishes; or it invents stories by making stealthly substitutions, adding inflammatory details, and distorting and misrepresenting various publicly published materials. CHENG MING magazine only has a handful of people to keep up its appearance, who seldom set their foot on the mainland. Since they have to reveal so many "top secrets" inside stories in every issue, these people have no choice but to make a living by concocting false stories. Although CHENG MING has gone to great pains to imitate the different styles of Chinese leaders' articles and speeches, the spurious can never be the genuine and the magazine's fabrications have already become laughingstocks. For instance, CHENG MING's articles often mention such units as the State Council Hong Kong and Macao Policy Office, the CPC Taiwan Policy Office, the State Council Taiwan Policy Office, the Taiwan Strategy Research Office of the Central Military Commission, and the State Council Economic Research Office, as well as such meetings as briefings for senior state leaders, meetings of the State Council on national affairs, party-life meetings for veteran comrades, and information-exchange meetings between the CPC Political Bureau and the State Council. It is a pity that there are no such units or meetings in China. It must be said that it is a great satire that these people, who seemingly know the secrets and internal operations of the CPC Central Committee like the palm of their hands, do not even know the common names of China's organs and institutions.

CHENG MING cannot be counted as a member of the press media, for it fails to observe the fundamental ethics of its profession and has wilfully trampled on the principle of the truthfulness of the press. Some press media with a fair and objective approach may also make mistakes in their reports, yet such mistakes are forgivable by the vast numbers of readers as well as the people involved. However, this is not the case with CHENG MING; what the magazine has done is deliberately create confusion and sow dissension among the people, impair the prestige of China, mislead public

opinion, and delude readers. Its political objectives are obvious to all.

A wise man does not believe in rumors. The rumors created by CHENG MING did not, and will not, have their way in society, for the public and the mass media are not to be deceived. Alongside the progress of China's reform and opening up, as well as its economic and social development, more and more reporters from Hong Kong, Macao, Taiwan, and foreign countries are coming to cover news in China; as a result, the world will get to know more and more about the true situation in China. How can CHENG MING, which is bent on deluding the public, shut out the heavens with one hand? What it has done will only make the people despise it.

Science & Technology

Minister Reasserts Ban on Foreign Firms

HK2306075495 *Beijing CHINA DAILY* in English
22 Jun 95 p 1

[Article by Xie Liangjun: "China Lays It On The Line On Phone Links"]

[FBIS Transcribed Text] Posts and Telecommunications Minister Wu Jichuan yesterday said that the country will not allow foreign companies to engage in operating or management of its basic telecom services like telephone services.

He said the State will keep its monopoly while admitting China's telecom market is open to foreign capital investment.

Wu said the sector has grown at an annual rate around 50 per cent and this year saw 45 per cent rise in just five months.

Since 1993, the Ministry of Posts and Telecommunications (MPT) has freed China's telecom services.

Wu said over 2,000 firms operate services, mainly radio paging services.

He said that the Chinese Government will continue to open its telecoms equipment manufacturing markets, and attract foreign capital on the grounds that "foreign companies or individuals will not be allowed to be involved in operations and management of telecom services."

By last month China's phone network covered only 4 per cent of the population in the country but in urban areas it reached 15 per cent.

But China predicts telephone capacity will reach 140 million lines by the year 2000.

Wu said that the government will limit access of Chinese users to some Internet information, although he did not specify what information will be subject to such restriction.

MPT has connected the country's public telecommunications system with the worldwide information superhighway Internet since April.

"Linking with the Internet means progress in science and technology for China," said Wu.

He stressed that linking with Internet does not mean absolute freedom of information.

High-Temperature Reactor Construction Begins

OW2206235295 *Beijing XINHUA Domestic Service in Chinese* 0714 GMT 14 Jun 95

[By reporter Zhang Jimin (1728 4949 3046)]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — A ground-breaking ceremony for the construction of China's first 10 megawatt high-temperature, gas-cooled reactor was held in Beijing's suburbs today. The nuclear energy utilization project, approved by the State Council and designed and built by Qinghua University's Nuclear Technology Design and Research Institute, is expected to be completed and put into operation before 2000.

The high-temperature, gas-cooled reactor is a thermal neutron reactor using pyrolytic graphite carbon as a uranium-235 fuel cladding, graphite as a fast neutron moderating agent, and inert gas helium as a coolant. How does uranium, a kind of dark gray powder or silvery white crystallization, produce atomic energy? As a matter of fact, under the influence of neutrons, uranium atoms can create a nuclear fission chain reaction, thereby producing tremendous energy. The use of pyrolytic graphites as a fuel cladding and a moderating agent inside a high-temperature, gas-cooled reactor can greatly enhance their reliability for containing nuclear fission results. Meanwhile, the use of helium as a coolant inside the high-temperature reactor can effectively control the reactor's safety under temperatures as high as 950 degrees Celsius.

According to experts, the high-temperature, gas-cooled reactor is the only world-recognized nuclear energy capable of providing high temperature for the nuclear industry. Records available so far show that the highest temperature that can be obtained from the pressurized water reactor is about 310 degrees Celsius and from the graphite gas-cooled reactor using carbon dioxide as coolant is about 400 degrees Celsius, both of which are not as high as that obtained from the high-temperature, gas-cooled reactor. Therefore, it is not difficult to imagine that the higher the temperature we can obtain

from a reactor, the more useful it is for us. For example, we can use temperatures as high as 950 degrees Celsius obtained from the high-temperature, gas-cooled reactor extensively in power generating, heat supply, thickened oil heat extraction, coal gasification and liquefaction, and so on. Thus, China's ability to build the 10 megawatt high-temperature, gas-cooled reactor reflects the country's current high standards in the research on peaceful utilization of atomic energy.

Is the high-temperature, gas-cooled reactor safe? In explaining this question, a Qinghua University researcher simply compared an atomic bomb to 60-proof liquor and the high-temperature, gas-cooled reactor to beer; the former will ignite after being lit, but the latter will not. According to a briefing, in the event of an accident, the high-temperature, gas-cooled reactor can automatically shut down operations and release the remaining heat in the form of nonactive energy outside the reactor. Because of this and other safeguards, foreign experts in the field are of the opinion that the high-temperature, gas-cooled reactor is suitable for construction in industrial areas or near cities with dense population so as it can more effectively serve social production and the people's daily life.

Song Jian, state councillor and concurrently minister in charge of the State Science and Technology Commission, attended and spoke at the ground-breaking ceremony.

Beijing To Establish High-Tech Products Center

HK2306080395 *Beijing CHINA DAILY in English* 23 Jun 95 p 5

[Article by Sun Hong: "High-Tech Products Centre Established"]

[FBIS Transcribed Text] Domestic and overseas enterprises on science and technology will soon find a place to exchange information, exhibit technical achievements and seek suitable customers and partners.

The first high-tech new products exhibition and exchange centre for non-government-run science enterprises will be formally announced in Beijing this month.

The centre, sponsored by the China Non-Governmental Science and Technology Entrepreneurs Association, is aimed at promoting the fledgling non-governmental science and technology enterprises in China.

"Non-governmental science and technology enterprises are becoming an increasingly important force in China's economic development," said association director Li Shaoguo.

During the past few years, such enterprises have enjoyed an average annual grow rate of over 30 per cent.

Compared with 15 years ago, when the first of such enterprises emerged in China, there are now more than 79,000 non-government run Scientific and technological enterprises in China with a combined workforce of 1.5 million.

Last year, these enterprises' total sales volume and tax turnovers reached 101.8 billion yuan (\$12.4 billion) and 10.3 billion yuan (\$1.2 billion) respectively.

In Shenzhen, Guangdong Province, nearly 80 per cent of the science and technology enterprises are non-governmental enterprises. Other areas of the country have also witnessed a fast increase in the numbers of such enterprises.

Li said that non-governmental science and technology enterprises have a bright future as these enterprises are known for their practical products and flexible management.

"What's more, most of them are established by scientists, inventors and medical experts with patents, secret recipes, and other valuable specialities."

During a recent speech, State Councillor Song Jian urged that efforts be made to create a more lenient environment for the development of these enterprises, "which are expected to contribute one third of China's economic development in coming years."

"For these enterprises, encouragement and help are necessary," he said.

Environmental Hotlines, Information Network Noted

OW2306110495 Beijing XINHUA in English
0636 GMT 23 Jun 95

["China's Cultural News Briefs"]

[FBIS Transcribed Excerpt] Beijing, June 23 (XINHUA) — Today's cultural news in brief:

Environmental Hotlines

Shenyang, capital of northeast China's Liaoning Province, has opened 14 environmental protection hotlines so as to promptly deal with environmental problems reported by local residents.

At the same time, an emergency team of over 80 people has been formed to deal with the reported problems.

High-Speed Information Network

The Far East's first high-speed information network for education and scientific research has been established at the Shanghai Jiaotong University.

The network connects all institutions of higher education in Shanghai, and Zhejiang, Jiangxi and Fujian provinces, and will be expanded to all educational institutions above the municipality level by the end of this century.

The network, using ATM computers, was jointly established by IBM and the Shanghai Jiaotong University. [passage omitted]

Article Views Information Safety Technology

HK2306054495 Hong Kong TA KUNG PAO
in Chinese 27 Apr 95 p A2

["Special article" by staff reporter Ma Ling (7456 3781): "While the 'Three Golden Projects' Are Developing Rapidly, Protecting Information Safety Brooks No Delay"]

[FBIS Translated Text] Beijing, 26 Apr (TA KUNG PAO)—At a time when China was promoting its own information superhighway—the "three golden projects"—with great momentum, several experts in the state's key information safety laboratory expressed worry when they saw that some localities intended to import secret codes when inviting tenders for construction projects; their sense of mission makes it duty-bound for them to shout anxiously: Watch out! The pursuit of instant benefit and convenience can bring about a big hidden danger which in the future may cause immeasurable harm to the country, the nation, and the lifeline of citizens!

Blindly Importing Foreign Secret Codes for Protection

This is not to exaggerate things just to scare people, because in the course of implementing the "three golden projects"—the golden bridge (state economic information communications network), the golden barricade (information network specifically for customs department and foreign trade system to use), and the golden card (a system for credit card holders in the general public to make payment), using secret codes for protection is indispensable. At present, whenever secret codes are mentioned, people almost always talk about DES [acronym in English as published]. DES is a standard for enhancing the confidentiality of national data issued by the U.S. Government in 1976. After 10 years of splendor, in 1986, the Reagan administration decided to issue an order to abolish it, but for various reasons, the United

States has repeatedly passed resolutions to extend its use up to now. However, as China implements the "three golden projects," many people still view DES as a successful model and say it is the first plan for consideration. In fact, DES is the product of a specific period, and it is not perfect; the effectiveness of changing its secret-code keys has some problems, and it has a number of weak secret-code keys; also, it has a fixed hourglass [di lou 3336 3345] pattern. News reports say that in foreign countries, some people have already designed a special chip which can be used to do a complete search of the 256 collections of DES secret-code keys in three and a half hours.

Therefore, the focus of the problem is: Is DES safe or not? The experts who can see profoundly and think thoroughly have solemnly pointed out: Using other people's secret codes to protect our own safety eventually means there is no safety. This is because foreign intelligence organizations undoubtedly will intentionally place the function of the outer lock's security equipment at a level they can break and interpret and will not establish a competitor who surpasses this level. Whoever controls the information will control the initiative in competition. It is not hard to imagine that if our huge "three golden projects" thoroughly adopt DES, this would be tantamount to sending China's economic intelligence to foreign countries. Is this not enough to shock and frighten people?

Foreign Countries Are Keen on China's Information Market

At present, attracted by China's huge information market, advanced foreign countries with a developed information industry are very keen to come to China to market their information equipment, and some are willing to offer 50 percent of the fee, or even 100 percent of the fee, utilizing unimaginably favorable conditions to compete for tenders of the "three golden projects." Some localities have already started projects under such attractive conditions. Seeing this situation, the 11 experts and scholars at the state's key laboratory for information safety research in a graduate school of the Chinese Academy of Sciences—the country's only laboratory devoted specifically to information safety research—can no longer remain silent; they have recently submitted to the relevant department a document entitled "proposal that great importance must be attached to information safety when the country promotes the availability of economic information." The proposal truly reflects what they worry about, think about, and long for.

Does China have its own products since foreign secret code equipment cannot be used? The experts reply: Yes. In fact, many experts in the laboratory are prominent

figures in international circles of secret code research, and their research results in secret code calculation have won prizes in that domain in foreign countries; their method is not inferior to DES in terms of reliability and level of advancement.

However, Professor Zhao Zhansheng, director of the laboratory, said: "At the current stage, to meet the requirements of a practical and modern system of information safety, many of our outstanding research results resemble dispersed gold and scattered jade, and our application level lags far behind those of developed countries."

From here, an important question arises: Since we have advanced results, why can they not be effectively changed into commodities and used in the state's important "three golden projects?" A probe into the reason reveals two points: First, input from the state is inadequate; second, attention from society is inadequate.

China's Research Is Not Backward

Although this key laboratory is the only one of its kind in China, it receives a very limited amount of funds each year. The United States spends \$1 billion annually promoting information safety research. On the other hand, although society has a growing concern for the widespread harm caused by viruses and high-tech crime, few enterprises have the sense of crisis to join hands with the information safety experts to carry out active, effective, and long-term protection. These two major constraints naturally make it difficult for the experts to freely promote their cause.

In addition, amid the craze for information engineering in this time, various localities and departments do not confine themselves to development of the "three golden projects," and society has already extended the three projects to "eight golden projects," which, other than the above-mentioned "three golden projects," include golden tax (revenue), golden post (posts and telecommunications), golden enterprises (enterprises), golden bee (mobile phone), and golden education (education). Chinese society is accustomed to chasing "crazes," and it is only natural that in "short, cheap, and quick" pursuits, people adopt take-in-ism (import from abroad), and regionalism (each going his own way). This will inevitably bring about serious consequences on the issue of safety in information network construction and on the issue of availability for use.

Experts stress: "We must have the sense of opening up, but opening up must have a condition, which is that it must be good for us."

Experts Have a Three-Point Proposal

Therefore, the experts have a three-point proposal: First, the upper and lower levels of the country should establish the concept that information safety is no longer a matter of political, military, or foreign affairs, and they should have a new concept that it is a matter of competition for economic and technological information in the global domain; second, we must establish a state-level authority for managing information safety, to exercise compulsory intervention and constraint in importing and implementing projects, and there should not exist the situation whereby whoever makes the investment has the final say; third, the state should centrally manage the currently dispersed operation of information safety research and conversion of research results into commodities, and at the same time inject more funds to form a unified contingent specializing in research, development, and application.

Finally, experts say that as long as the state is willing, the issue of information safety within the "series of golden projects" can be solved, but the crucial point is the state's understanding and determination.

Military & Public Security

Liu Huaqing Stresses Keeping Military Secrets

OW2206151095 Beijing XINHUA Domestic Service
in Chinese 1030 GMT 21 Jun 95

[By reporter Ma Xiaochun (7456 2556 2504) and correspondent Qian Gaoxiang (6929 7559 4382)]

[FBIS Translated Text] Beijing, 21 Jun (XINHUA) — During a meeting today with delegates to an all-army conference on maintaining secrets, Liu Huaqing, Central Military Commission [CMC] vice chairman, emphasized: An important and urgent task in army building during the new period is to improve the job of keeping military secrets, and earnest efforts must be made in this respect.

CMC Vice Chairman Zhang Zhen and CMC members Chi Haotian, Zhang Wannian, and Fu Quanyou were present at the meeting.

Liu Huaqing said: In the past, it was important to do a good job of maintaining secrets, and it is even more important now. In wartime, secret-keeping had a bearing on victory and troop safety. In peacetime, it is closely linked with national security and interests, troops' survival and expansion, and victory or defeat in combat. Comrades throughout the military should fully recognize the importance of secret-keeping from the perspective of being responsible toward army building, future warfare, and national security. They should enhance their awareness of keeping secrets, observe

secret-keeping discipline, and do a conscientious job of keeping secrets.

Liu Huaqing noted: The key to keeping secrets lies with leaders. Party committees at all levels and leading comrades should attach importance to keeping secrets. Military headquarters and political and logistics departments should pay close attention to keeping secrets. The three general departments under the People's Liberation Army [PLA] should act in an exemplary manner, while operational departments should regularly inspect relevant work to ensure that it is carried out properly.

The conference summed up secret-keeping throughout the military over the past few years; discussed and revised the "Regulations of the Chinese People's Liberation Army on Keeping Military Secrets"; and studied and explored new measures for improving the job of keeping military secrets.

Leaders from the three PLA general departments, All-Army Secret Protection Committee members, and comrades in charge of relevant departments from various major units attended the conference. Comrades in charge of the CPC Central Committee's Secret Protection Committee also attended the conference.

Army Leader on Developing National-Defense Science

OW2206153795 Beijing XINHUA in English
1506 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — Vice-Chairman Liu Huaqing of the Central Military Commission of China today urged the increased building of the Communist Party of China (CPC) and opening a new chapter in national-defence science, technology, and industry.

Liu, who is also a member of the Standing Committee of the Political Bureau of the CPC Central Committee, made the remark while attending a meeting of the Commission of Science, Technology, and Industry for National Defence, which ended here today.

Liu said that China's national-defence science, technology, and industry have made some noteworthy achievements and have contributed a lot to national defence and the country's economic progress.

He emphasized that training a large number of scientific and technological personnel in an effort to secure prosperity is an urgent strategic task for the national defence forces.

Speaking of the tradition of self-reliance, hard struggle, honesty, co-operation and, self-sacrifice of those in

national defence, Liu said he hoped that an even better job should be done in this regard.

He expressed the hope that all army officers and enlisted men and women will grasp Deng Xiaoping's theory of "science and technology are the primary productive force" and understand the significance of "invigorating China through science and education."

Beijing Continues To Enhance Antidrug Campaign

*OW2206111695 Beijing XINHUA in English
1055 GMT 22 Jun 95*

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — Affected by growing drug-related crimes around the world, China will intensify its efforts to fight against such crimes and drug addiction, Minister of Public Security Tao Siju said here today.

Local governments have to be held fully responsible for anti-drug campaigns within their jurisdiction, said Tao, who also acts as director of China's State Drug Control Commission.

"If there appear drug-related problems in some place, the local mayor or county magistrate has to take the blame for dereliction of duty," he said.

The frontier regions of southern China borders the notorious Golden Triangle — the world's largest drug producer, where there are no natural barriers.

Lured by high profits, overseas drug smugglers, together with their accomplices in China, take southwestern and south China regions as channels for drug smuggling to international drug markets. They also sell drugs to addicts in China.

"The smuggling routes are becoming more flexible, the smugglers are getting wilier and armed resistance has intensified," Tao said.

Under such circumstances, China has taken firm measures to fight against drug-related crimes and drug addiction, he said.

Last year, Chinese police cracked a total of 38,033 drug-related cases, seizing 3,881 kg of heroin and 1,700 kg of opium, and arresting 10,434 suspects, 7,883 of whom received penalties.

According to a survey carried out last year, 380,000 drug addicts had been registered by the end of 1994. By then, China's public security departments had set up 251 drug-addiction treatment centers and nearly 50,000 addicts had received compulsory treatment.

In addition, China's law-enforcement departments built or rebuilt 75 drug rehabilitation institutions, in which 30,000 drug addicts were being treated through labor at the end of last year.

Drug addiction has caused serious outcome in China, Tao said. Altogether 1,132 victims of the AIDS virus have been found to have contracted it in connection with drug addiction, accounting for 70 percent.

The minister said that, through the mass media, China will let the public get to know more about the hazard of drugs, and will conduct anti-drug education among primary and secondary school students.

Meanwhile, China will continue to expand co-operation with international organizations and surrounding countries in anti-drug programs.

General

Auto Factory Outlet Agency System Promoted

OW2206135995 Beijing XINHUA in English
0845 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — A high-ranking official with the Ministry of Internal Trade today declared that China is at present drafting a trial operation method for a motor vehicle sales agency system.

Ma Yimin, deputy minister of internal trade, said that this is a new effort to construct a modern auto sales system in China which basically conforms to China's present conditions and is based upon international practice.

Addressing a meeting here today, Ma noted that the Chinese government will encourage auto manufacturers to make full use of the market and after-sales networks supported by the commercial enterprises.

China has published a list of 341 direct-sales agents for the nation's auto manufacturers, in a bid to further promote the factory outlet agency system.

These agents are ordered to sell vehicles directly to the ultimate clients, and are not allowed to engage in wholesale.

As Ma put it, the 341 sales agents have initially formed an auto sales and after-sales network nationwide, and thus have laid a solid foundation for the development of the auto sales agency system.

To ensure the smooth carrying out of China's sales agency system, Ma stressed that the sales agents and auto production enterprises must ensure mutual benefit and shoulder risks together.

Economists 'Pessimistic' on Lowering Inflation

HK2306075295 Hong Kong WINDOW in English
23 Jun 95 p 29

[From Chen Xiao in Beijing]

[FBIS Transcribed Text] In spite of a slight drop in the inflation rate in the first four months of this year, economists in Beijing are pessimistic about rising prices. Inflation from January to June is expected to have hovered around 20 per cent, they say.

Zhang Shuguang of the Institute of Economics of the Chinese Academy of Social Sciences says: "China will continue to be bogged down by a pattern of high inflation, high economic growth and a high unemployment rate.

"I am not optimistic about the price situation in the next few months and inflation will exceed 15 per cent at the end of this month," he says.

However, officials with the State Statistics Bureau say that inflation has to be brought down to 15 per cent this June and eight per cent by December, otherwise this year's retail sales price index cannot be reined in to under 15 per cent.

Threat: An inflation ceiling of 15 per cent was promised by the central government at the National People's Congress in March. Director of the market department of the State Economic and Trade Commission Xu Huazhong says a shortage of farm produce will continue to pose a threat to anti-inflation efforts.

He says farmers have been discouraged from planting grain by the increasing prices of farm production goods, such as chemical fertilizer. "Much more effort has to be made to guarantee a grain harvest this year," Xu notes. Any reduction of grain output will no doubt upset the anti-inflation apple cart.

In April, grain prices rose 4.2 per cent over the previous month. Inflation will also be spurred by a shortage of pork supplies in the next few months, although currently there is a supply surplus.

Ministry of Agriculture officials warn that livestock farming is disappearing in most regions of the country. Poultry farmers are worried about rising costs of corn feed and the declining price of pigs. According to the State Statistics Bureau, the number of piglets dropped by 15 per cent at the end of April compared with the same period last year.

Poor returns mean farmers are increasingly reluctant to raise piglets or slaughter mature hogs. At the same time, the number of unsold hogs has increased by 25 per cent — an indication that pigs are becoming unmarketable. The current adequacy of pork supplies will be replaced by a shortage within the next six months. Inflation will then shoot up if the situation remains unchecked, warn ministry officials.

In addition to the weak supply from the agricultural sector, the manufacturing industry, especially state-owned enterprises, is also performing poorly. About 44 per cent of SOEs are in the red and most are up to their necks in debt. Zhang says debt default is much more serious than last year. By the end of March, debt defaults reached 692.6 billion yuan (HK\$629.6 billion), an increase of 61 billion yuan in three months.

The SOEs' inability to meet rising market demand is an additional pressure on inflation, Zhang says. According to the SSB, total retail sales volume in April increased

12.1 per cent in real terms compared with the same period last year. Academy economist Liu Yingqiu says the rapid expansion of consumer demand is a major characteristic of the current round of inflation. He cites continuous price rises in the consumer market and a downturn in production supplies.

Economists are not satisfied with the government's anti-inflation measures. Zhang says: "It is unwise for the central government to depend solely on scaling back fixed-asset investment to stop price rises." Restraints on fixed-asset investment have resulted in stockpiles of raw materials such as steel. This will dampen producers' enthusiasm and harm economic growth, predicts the economist.

Besides controlling fixed-asset investment, the central government limits the total money supply by restricting bank loans, which enables the central bank to maintain monetary stability. Wu Shaozhong of the Construction Bank of China says: "Such an instrument is a tool under the traditional planned economy. New methods should replace it when more comprehensive banking reforms (come into operation)."

To bring down inflation rates successfully, there have to be bold reforms, especially of SOEs, Wu says. The ailing SOEs are an obstacle to overall economic reform. Although there have been many reforms in this area, no great successes are expected this year, economists say.

Major surgery: "The central authorities still lack the determination to perform major surgery on state-owned enterprises," says Zhang. Despite the gloomy prognosis, there are some positive signs that Beijing could still bring inflation under the budgeted 15 per cent this year, says SSB spokesman Qiu Xiaohua.

First of all, the factors which pushed up inflation in 1994 — bold reforms in taxation, the foreign exchange system, the public servant system and grain price control — have not had such an effect on price rises this year, Qiu says. Secondly, he says the central government has made a clear-cut stand against inflation, which will help increase public confidence. The latest investigation conducted in major cities such as Beijing, Shanghai and Guangzhou shows that 60 per cent of residents are willing to continue to invest their money in banks. Thirdly, governments at all levels have tightened their management of the market and attacked illicit speculation. This, it is hoped, may help slow down the price rises, Qiu says.

Quality Control Production System Established

OW2206154495 Beijing XINHUA in English
1420 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — China has established a system which is expected to contribute greatly to improving the quality of Chinese products, sources from an exhibition said here today.

The exhibition, which was sponsored by China's highest supervisory organization for quality, the State Bureau of Technological Supervision (SBTS), displayed products from a dozen categories, which have got state quality-control certificates.

According to an official with SBTS, the exhibition was to let customers get to know the positive aspects of companies with the Quality-Control Test Certificates from the state, and to demonstrate the quality and the range of after-sale services provided for these products.

The exhibition is also aimed at helping reduce the spread of fake and low-quality products, the official said.

The quality-control testing system is popular worldwide for providing scientific, unbiased assessment of the quality of a product. It is done by a third party on whom neither the seller nor buyer of the product can have any influence. This tool of the market economy has been in use in developed countries for about a century.

The official with SBTS said that China's economy will be geared to the world market and Chinese products will be involved in international competition, so it must accelerate its move to mesh with international practices.

Since China set up its first quality-control testing organization for electronic appliances in 1981, a system has taken shape because of the Chinese government's efforts for a decade. A series of laws and regulations have been formulated and 14 special organizations for quality-control testing have been set up under state approval.

China has issued 8,000 certificates to products of 3,300 companies in fields such as machinery, electronics, light industry, building materials, chemicals, medicines, foodstuff, and metallurgy, while 174 companies have quality-control certificates and the number is expected to reach 300 by the end of this year.

At present, in accordance with bilateral co-operation agreements, a number of China's quality-control testing organizations have got approval to act as agents for counterparts in Italy, Germany, and Great Britain.

Nation Gains International Ship Type Recognition

*OW2306024195 Beijing XINHUA in English
0219 GMT 23 Jun 95*

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — The "Tengfeihai" 70,000-dwt bulk carrier, belonging to the Panama category, has been launched at Shanghai's Jiangnan Shipyard, the latest edition of "Transportation News" reported.

Another ship of the same kind, the "Fenjinhai," was delivered by the shipyard at the same time to the owner, the Tianjin Oceangoing Transportation Corporation.

The two ships are part of an order for three placed by the Tianjin Company to cope with its growing oceangoing shipping activities.

The other carrier, the "Zhenxinghai," was launched in March.

All these three ships have been named by the international shipbuilding authorities as belonging to the "China Jiangnan Type" — the first internationally recognized ship type China has achieved, the newspaper said.

Ministries To Crack Down Smuggling

*HK2306075795 Beijing CHINA DAILY in English
22 Jun 95 p 2*

[Article by Guo Nei: "Agencies Take On Computer Smuggling"]

[FBIS Transcribed Text] Chinese customs authorities will join hands with the Ministry of Electronics Industry (MEI) this year to intensify its crackdown on computer smuggling.

In a newly-signed memorandum on the matter between the two parties, the MEI promised to give timely reports on its policy, supply and demand and prices for computers and other electronic products on both the overseas and domestic market to customs, one official for the General Administration of Customs said.

The MEI will also provide information for smuggling investigations and put forwards suggestions for anti-smuggling measures to be taken by customs authorities.

Accordingly, the customs authorities, as China's leading anti-smuggling force, would feed export and import records for computers and related products back to the MEI. Analyses on information will then reveal irregularities and anti-smuggling action can be taken.

Moreover, the two government agencies will join forces to look into some of the country's major smuggling cases and discuss tactics to be taken.

Customs officials are confident that co-operation featuring timely information exchanges will play an increasingly important role in the crackdown.

This close co-operation between different government agencies tightens the clamp on smuggling operations, the GAC's official said.

Of an estimated 718,000 computers sold on the domestic market last year, about 60 per cent were found to be contraband, the official quoted a MEI's report as saying.

"The contraband have been severely pounding at China's national computers industry, making the products' domestic market disorderly," the official said.

To hold back the rising tide of smuggling in certain kinds of products, customs authorities have, since late last year, made co-operative agreement with seven other State agencies, such as the Ministry of Chemical Industry and the State Tobacco Monopoly.

Four Companies Begin Modern Enterprise Experiment

*OW2206143595 Beijing XINHUA in English
1330 GMT 22 Jun 95*

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — China has had some success in its experimental work on modern enterprise system and actual phasing in of the system has already begun this week.

Chen Qingtai, vice-minister of the State Economic and Trade Commission (SETC), said here today that of the 100 companies selected for experiment, the first four have had their reform measures reviewed.

The four selected are Hangzhou Steam Turbine Power (Group) Company of Zhejiang Province, the Chongqing Iron & Steel (Group) Company of Sichuan Province, the Daye Iron & Steel (Group) Company of Hubei Province, and the Tangshan Alkali Plant of Hebei Province.

All but the last company of the above four have had their reform plans approved by the SETC and the local provincial government, and the fourth will get approval soon.

Eighty-nine of the 100 companies have drafted reform plans, and more than 30 companies' plans are under final scrutiny, Chen said, adding that most of the companies will start implementing their plans.

The state enterprise reform is the bulk of China's economic system reform work this year. Its purpose is to promote the healthy development of the state-owned enterprises and improve their efficiency.

Statistics show that China has about 72,000 state-owned businesses. Although accounting for only 19 percent

of the country's total number of industrial enterprises, their output value accounts for 53 percent of the total. However, because of inefficient management and some other reasons, about one-third of them are money-losing enterprises.

The official said that the first four companies have had some success or even breakthroughs in difficult areas, providing some vanguard experience for the reform of the system as a whole.

"The four companies' assets and liabilities are in reasonably good control and surplus workers will be taken care of," he noted.

He explained that only the Tangshan Alkali Plant will be changed into a corporation with publicly-held stock, while the other three will be transformed into corporations with the state being the sole investor.

The official said that the reform plans of the four companies reflect features of a modern enterprise system, in that their business will no longer be interfered in by the government.

"The four enterprises' experiences will be of great value to the acceleration process of the trial modern enterprise system throughout the country and will help improve the reform of the whole state sector," he said.

Eighty-Five Percent of Drugs Meet Standard

*OW2206153995 Beijing XINHUA in English
1502 GMT 22 Jun 95*

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — Eighty-five percent of the drugs compounded in China are up to standard, an increase of 15 percentage points over 1985, public health department officials said here today.

There are 1,600 pharmaceutical administration organizations and 1,953 drug testing centers operating nationwide, with 22,380 professionals and 11,200 supervisors.

Speaking at a meeting marking the implementation of the Law on Regulation of Pharmaceuticals, Public Health Minister Chen Minzhang said that formulating laws on pharmaceuticals is an important part of ensuring the healthy development of medicine and health research.

Some 100,000 cases of fake and low quality drugs were handled from 1985 to 1994, and 800 million yuan worth of fake and low quality drugs were destroyed.

Top 100 Machinery-Building Enterprises Listed

*OW2206132095 Beijing XINHUA in English
1233 GMT 22 Jun 95*

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — China today listed the 1994 top 100 machinery-building enterprises, with auto manufacturers making up one-fourth of the slots.

The Ministry of Machine-Building Industry selected the 100 largest out of nearly 200 companies based on annual sales volume. This is the second time for the list to be drawn up.

The Shanghai Automotive Corporation came in first, with sales amounting to 24.1 billion yuan (2.9 billion US dollars) last year. The First Automobile Works (FAW) Group Company took second place, with 21.3 billion yuan (2.5 billion US dollars) in sales, and the Dongfeng Automobile Company came in third, with 20.9 billion yuan (2.49 billion US dollars) in sales. The ranking of the top three was the same in 1993.

In 1994, cumulative sales of the top three accounted for 54 per cent of the automotive industry's total, compared to 51 per cent the previous year. They also rank as the three largest profit makers and tax payers.

The businesses on the list have a much larger production scale than those on the previous list, that is, a manufacturer with annual sales totalling 465 million yuan (55 million US dollars) came in last on this ranking, while a year ago, a company with 330 million yuan (about 40 million US dollars) in sales held the last position.

The 24 automobile producers on the list have sales accounting for 96 per cent of the total in the automotive sector, while the ratio was 86 per cent the previous year. Eight of the auto manufacturers are in the top ten.

All those on the list are state-owned businesses.

Bao Xuding, vice-minister of the Machine-Building Industry said that the listing is aimed at pushing production on a large scale in Chinese businesses and helping develop them into competitive industrial giants.

China's machinery-building industry is going through a period of restructuring, for which a plan has been laid out. Up to the year 2000, the top 100 enterprises are expected to generate 25 per cent of the industry's output value. The proportion was 18 per cent in 1992, which is why the ministry is set to help a number of large enterprises or groups, Bao explained.

License Granted To Producer of Farm-Use Plane

*OW2306080295 Beijing XINHUA in English
0726 GMT 23 Jun 95*

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — A license has been granted to the Nanchang Airplane Manufacturing Corp. (NAMC) for the production of its NSA plane, the first domestically made farm- use airplane.

Transport planes are commonly used in China in air-seeding, insect prevention and weeding in agriculture and forestry. However, these planes are not able to meet special demands for farm-use such as low-altitude flying, easy taking off and landing.

On the other hand, imported farm-use planes are too costly for many domestic users.

The NSA planes, designed and made by NAMC, one of China's nine airplane manufacturers, has a wide vision and many fine advantages.

Compared with imported planes of the same kind, NSA planes have a smaller radius when making turns, and can fly at the lowest altitude of one meter.

The planes' other competitive edges are its low price, one fourth to one third lower than imported ones, and its ability to take off on earthen runways.

Minister Inspects Liaoning Coal Enterprises

*SK2306090395 Shenyang LIAONING RIBAO
in Chinese 8 Jun 95 p 1*

[By reporter Liu Jingkui (0491 2529 7608): "Cultivate the Market Concept and Organize Production in Line With Market Needs"]

[FBIS Translated Excerpt] Coal Enterprises should fix their production quota according to the sales, give priority to ending deficits, increasing profits and raising economic efficiency, and should stabilize the mining areas. This was the main topic of conversation of Wang Senhao, minister of coal industry, when he conducted an inspection tour to Liaoning Province on 6-7 June.

On the morning of 6 June, Wang Senhao and leading comrades at the department and bureau levels of the Ministry of Coal Industry listened to briefings given by the provincial coal industrial administrative bureau on the economic situation of Liaoning's coal industry such as production and management; on 7 June, he inspected Linsheng Coal Mine under Shenyang Mining Bureau. After listening to briefings giving by Shenyang Mining Administration, Wang Senhao said: To solve the problems of Liaoning's coal industry, it is necessary to study the problems of each and every coal mine and mining area and strive to make them reduce deficits. Ending deficits means to make the coal industry as

a whole not suffer deficits, but it does not mean that all coal mines will not incur deficits. Some coal mines incurring great deficits and having no hope of survival should be closed down or ordered to stop production. It is not bad to do so because this will help reduce deficits. He called on coal enterprises to cultivate the concept of the market economy. He said: In current production, we should not only pay main attention to raising the output as we did during the planned economy. Instead, we should fix the output in line with the market need and raise economic efficiency by increasing sales. [passage omitted]

During inspection, Wang Senhao attached great importance to the problems of workers and, while listening to briefings, no matter who gave them, he asked in detail about the situation of delaying wage payment for workers. He said: Both in-service or retired workers have contributed to the coal industry. If workers cannot receive wages, we cannot sleep well and we should feel compunction. He called on leaders at all levels to try by all possible means to guarantee wages for workers. He stressed: In addition to recognizing the improved situation, we should also recognize the grim situation. Coal enterprises have many old debts and heavy burdens which cannot be resolved within a short period of time. He expressed hope that coal enterprises will strengthen confidence despite difficulties and shift the current work priority to raising economic efficiency and guaranteeing production and safety.

Finance & Banking

National Conference on Securities Opens

*OW2206183995 Beijing XINHUA Domestic Service
in Chinese 1108 GMT 15 Jun 95*

[By reporter Fu Gang (0265 0474)]

[FBIS Translated Text] Beijing, 15 Jun (XINHUA) — The national conference on securities and futures control took place in Beijing today. Zhou Daojiang, executive deputy director of the State Council Securities Commission and chairman of the China Securities Control Committee, delivered a work report at the conference. Attending the meeting were persons in charge of securities and futures control departments under the people's governments of provinces, autonomous regions, municipalities under the central government's direct jurisdiction, and independent cities listed in state plans; persons in charge of securities and futures trading centers of these provinces, regions, municipalities, and cities; and persons in charge of member units under the State Council Securities Commission.

In his report, Zhou Daojiang reviewed the successes China's securities and futures markets have achieved

in their exploratory endeavors under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. He pointed out: China's securities and futures markets are still in their experimental stage, they are still immature, and they still have to be gradually regulated and improved by learning from experience. The principle for exercising market control this year and in times to come is: Securities and futures control must center around inflation control and should proceed along with enterprise reform; pilot projects should be conducted in selected areas first to gain useful experiences to be propagated nationwide; sound management is more important than speedy development; and supervisory efforts should be intensified to regulate market operations and discourage excessive speculation so that these markets can develop steadily.

Zhou Daojong noted: The development of the securities and futures markets must serve the national economy. We should give priority to normalizing [gui fan hua 6016 5400 0553] these markets through tightening market supervision, regulating and supervising securities and futures brokerage companies, and training more proficient personnel. We should gradually rationalize the administration of securities and futures trading centers, actively promote pilot projects of setting up investment funds, and establish or improve associations of securities and futures businesses and give full scope to their roles in disciplining the trades.

Zhou Daojong pointed out: The quality of listed companies constitutes the cornerstone of securities markets. Listed companies must work hard to improve their quality, normalize their operations, and exercise strict control over securities trading. According to a 1994 decision, 5.5 billion shares of stocks will be issued this year. These stocks will soon be delivered. They can continue to be sold next year. The selling of these stocks should be approved by batches and by stages so that the sales can be more balanced. Some well-managed large and medium-size enterprises with great development potential will be designated to sell their stocks abroad, and pilot projects of selling B-stocks should continue. In accordance with the State Council's regulations, whenever a Chinese business plans to sell stocks abroad, no matter in what way, it must have the State Council Securities Commission's approval. Local governments and departments do not have the authority to authorize such sales.

Zhou Daojong pointed out: With the State Council's approval, the China Securities Control Committee decided on 17 May to tentatively suspend the trading of national debt futures. That was an entirely correct decision. The trimming [ping cang qing chang 1627 0221 3237 1034] has been accomplished according to schedule. The decision was good for maintaining the image of reform

and opening up, as well as for maintaining economic and social stability. The priorities for this year's futures supervision are to consolidate the achievements, tighten control, intensify legislative efforts, and regulate operations. Brokerage companies are strictly forbidden from trading futures and foreign currencies abroad, and underground futures trading must be firmly cracked down on. Futures trading conducted in the name of long-term contracts is strictly forbidden. We must continue to regulate futures trading centers, and screen brokerage companies and member companies of trading centers. We must step up our research and supervision of markets trading monetary derivatives.

Zhou Daojong urged all supervisory departments to intensify their investigations and studies and operate with higher ethical awareness. He said these departments should be able to do the following to create a new situation for supervising the securities and futures markets: First, they must operate strictly in accordance with the law; and second, they must be impartial and shun favoritism, achieve a consensus of view, understand their assignments clearly, improve their way of work, and work hard to surmount difficulties.

Treasury Bonds Popular Among Investors in 1995

OW2306003995 Beijing XINHUA Domestic Service
in Chinese 0649 GMT 14 Jun 95

["News Analysis" by reporter Ding Jianming (0002 1017 6900): "Why Are 'Gold-Rimmed' Bonds So Well-Received?"]

[FBIS Translated Text] Beijing, 14 Jun (XINHUA) — According to the news from the People's Bank of China today: As of 10 June, the value of three-year certificate-type state treasury bonds sold around the country has exceeded 100 billion yuan and amounted to a total of 100.028 billion yuan, accounting for 96.09 percent of this year's issuing target and up 63 percent compared with the same period last year. It is predicted that the issuing mission for this year's 104.1 billion yuan worth of certificate-type state treasury bonds will be smoothly accomplished within the time of issuance.

When China resumed the issuance of national debts in 1980, the issuance work had not proceeded smooth enough, despite the fact that the volume of the national debts was not very large each year. To ensure the accomplishment of the issuance of national debts, the state could not but take administrative means.

This year, however, state treasury bonds have found favor in people's eyes under the circumstances that the volume of issuance has grown significantly and the administrative means have been completely canceled.

Since the inception of the issuance on 1 March, state treasury bonds have maintained the trend of hot sales. In the first month of issuance, nearly 73 billion yuan's worth of three-year certificate-type state treasury bonds have been sold. Analysis reveals that the causes of such hot sales lie in:

First, good financial order has ensured the smooth issuance of national debts. Since the state launched financial improvement and rectification in July 1993, the financial order has turned for the better remarkably and enterprises' practice of indiscriminately issuing high-dividend fund-raising bonds and internal stocks without taking their own economic efficiency into consideration has been brought under effective control. In the meantime, the state's measures of vigorously controlling inflation have enhanced residents' confidence in future commodity prices.

Second, significant growth in residents' incomes and savings have laid the foundation for the hot sales of national debts. Incomes of urban and rural residents in China have been growing at a fairly rapid speed since last year; hence the significant growth in their savings deposits. According to statistics, Chinese urban and rural residents' savings deposits increased by 631.5 billion yuan last year. While savings deposit remains the single channel and the major choice of residents' investment, purchasing state treasury bonds will not only maintain the value of their investments, but also bring almost no risks. Moreover, the interest rate is higher than that for bank savings deposits on the same terms. When a state treasury bond holder is in dire need of money, he can also draw his money in advance and he can enjoy a higher interest rate than that for the corresponding fixed savings deposits at the bank, if he keeps the bond for more than six months. Therefore, investing the savings in hand in state treasury bonds that yield higher profits stands to reason.

Of course, the hot sales of state treasury bonds this year should be also attributed to propaganda and good services offered by sales departments. Since the beginning of the issuance of state treasury bonds this year, all relevant departments have intensified propaganda and increased issuing outlets. Some issuing outlets even marketed the bonds to the doorstep, set up special counters for selling state treasury bonds, added information desks, and prolonged business hours to promote the sales of national debts. The large number and pervasiveness of sales outlets and the good services offered by competing banks have greatly appealed to investors.

Foreign Trade & Investment

Beijing To Enhance Overseas-Related Tax Collection

OW2306080195 *Beijing XINHUA in English*
0717 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — China will take effective measures to remove loopholes in the collection of overseas-related taxes, according to the State Administration of Taxation (SAT).

An official with the administration said that the proportion of tax payment involving foreign-funded ventures and overseas individuals in State revenue has been rising year by year.

"But tax evasion and dodging is still widespread," the official said.

Some foreign-funded enterprises and overseas companies have tried hard to pay the least possible amount of tax by under-declaring and hiding their incomes and deliberately over-reporting costs, according to the official.

Some others have shunned tax payment by remitting their profits to their head offices overseas while still others bypassed tax obligations under the guise of restructuring, merger and acquisition, said the official.

Meanwhile, he noted, individual foreign residents in China have been evading taxes by showing false documents, underdeclaring their incomes and under-reporting their staying time in China.

He said that investigations have shown that 30 percent of the foreign nationals in China have shunned personal income tax by one way or another.

A sample survey by Tianjin, Fujian, Guangxi and another 13 Chinese provinces and regions showed that 9,695 out of the 33,190 overseas people surveyed were tax evaders, who eventually repaid a total of 18.06 million yuan (about 2.2 million US dollars) in overdue tax.

China will launch a comprehensive examination over the use of value-added tax invoices among foreign-funded ventures in the country between July and August, according to official sources here.

Those found violating tax laws and regulations will be punished, the sources said.

Official Downplays Drop in Foreign Investment

HK2306075995 *Beijing CHINA DAILY in English*
22 Jun 95 p 5

[By Wang Yong: "Drop in Investment Dismissed"]

[FBIS Transcribed Text] A senior Chinese trade official yesterday dismissed the continuous drop in foreign investment contracts as a non-event.

"I'm personally optimistic about the prospect this year, although there were fewer new projects in the first quarter," said the official of the Ministry of Foreign Trade and Economic Cooperation (Moftec), who spoke on condition of anonymity.

According to official statistics China approved 7,307 foreign- funded projects in the first three months of this year, down 38 per cent from the 1994 corresponding period.

Committed foreign capital dropped 25 per cent to \$14.68 billion.

The downward spiral is continuing, said sources who declined to give specific figures.

However, the Moftec official said the phenomenon is natural because no country can sustain a steady influx of foreign capital without a period of correction.

She attributed the decrease to a handful of reasons, including an adjustment in China's economic growth rate and increased competition for investment from other developing countries.

"The current economic recovery in major Western industrial countries has also increased their internal demand for money," she said.

The Paris-based Organization for Economic Co-operation and Development, a wealthy nations' club, said on Tuesday [20 June] that the economies of Western Europe and the United States would expand this year after wobbly performances in the past few years.

The US and Germany have remained leading foreign investors in China. But Germany's investment priority will be eastern Germany.

Fluctuations in the exchange rates between dollar, yen and mark also have affected the general flow of international capital, the Moftec official noted.

"Another obstacle to investment growth has been international trade disputes," she said.

She would not comment on foreign complaints about China's investment regime. But she said that China will

make greater efforts to improve its legal environment for foreign investors.

Some detailed regulations in this direction are being drafted.

The government on Tuesday announced that it will soon allow foreign investors to buy foreign exchange directly from designated Chinese banks.

In the past, they could obtain foreign exchange only through swap markets — a system that limited foreign investors' financial capacity.

"It is no surprise that pledged foreign investment has drifted down since the second half of 1993, when the government began to curb the runaway inflation," she said.

But while less foreign investment has been pledged, China has seen growth in the paid-in amount.

In the first quarter, the use of foreign capital picked up 21 per cent to nearly \$6.6 billion, partly as a result of increased investment in capital-intensive projects by large corporations such as ABB, Basf, Siemens Dupont and General Electric.

Taiyuan Revokes Licences of 20 Foreign-Funded Firms

HK2206143295 *Beijing ZHONGGUO XINWEN SHE in English* 0950 GMT 22 Jun 95

[FBIS Transcribed Text] Taiyuan, June 22 (CNS) — The business licences of 20 foreign-funded enterprises in Taiyuan, capital of Shanxi Province, were revoked a few days ago.

The officials concerned said that these 20 enterprises did not receive the annual government inspection or failed to have their investment for business operation in place. Some of these enterprises do not have offices or workshops, and failed to declare their operational situation to the departments concerned. Officers from Taiyuan Bureau of Industry and Commerce said that all enterprises should obey the regulations of the State. Those which violate the regulations will have their business licence revoked in order to protect the interests of the State and its people.

Beijing Destroys Illegal Audio-Visual Products

HK2206141595 *Beijing ZHONGGUO XINWEN SHE in English* 1322 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (CNS) — 166,000 copies of illegal audio-visual products were destroyed in Changping County of Beijing, the biggest

batch destroyed by Beijing to protect intellectual property rights (IPR).

During the past year, Beijing Radio & TV Administration and Beijing Public Security Bureau checked a number of retail shops and confiscated 42,000 copies of pirated cassette tapes, 30,000 copies of video tapes and 9,400 copies of laser discs.

According to Chen Feng, leader of a inspection team for the audio-visual administrative office under Beijing Radio and TV Administration, aiming to protect IPR and the legitimate rights of copyright holders and consumers, Beijing launched three intensive checks in the past year and gave a serious blow to wholesale and retail sales of pirated laser discs, and closed down over 50 illegal wholesale centres and 1,400 retail stalls.

Mr. Chen added that between March and May this year, Beijing placed emphasis on curbing the distribution and selling of pornographic and illegal audio-visual products, dealt with 223 retail stalls which engaged in the sales of illegal audio-visual products, closed down nine outlets for releasing or renting pornographic video tapes, and punished a total of 29 people.

As revealed by Mr. Chen, relevant Beijing departments have decided that there will be a temporary halt in giving approval to new video tape renting stores. The current renting stores will face a shake-up. Meanwhile, Beijing will strengthen its check over the audio-visual market, increase penalties and curb any cases concerning the infringement of IPR.

Lippo Investment Project Proceeds Smoothly

*OW2306113195 Beijing XINHUA in English
0902 GMT 23 Jun 95*

[FBIS Transcribed Text] Fuzhou, June 23 (XINHUA) — The Lippo Group's cross-century investment project in Meizhou Bay in eastern China's Fujian Province is proceeding smoothly.

Dr Mochtar Riady, who owns the conglomerate, said that he plans to transform the Zhongmen Peninsula and Meizhou Island into a world-class tourism resort in about ten years, adding that construction is going normally.

Tati City, which is designed to become a light industry zone, is the group's first project in the Zhongmen Peninsula. Since construction started in July 1993, roads, telecommunications, water and electricity supply, and sewage facilities have all been completed, while hotels, residential quarters and an international school are still being built.

Four overseas companies have rented a total of 220,000 sq m in Tati City, which is earmarked for an investment of one billion US dollars.

Lippo has also started construction of tourism facilities on Meizhou Island. Riady said that the company plans to invest 1.9 billion US dollars over 20 years in the project.

He said that he chose Meizhou Bay as the site of this gigantic investment scheme because Meizhou Bay, as a deepwater port, is located at the center of the Shanghai-Taiwan-Hong Kong triangle and its potential for economic growth is enormous.

Hubei To Increase Foreign Funds in Building Materials

*OW2206132695 Beijing XINHUA in English
0951 GMT 22 Jun 95*

[FBIS Transcribed Text] Wuhan, June 22 (XINHUA) — The building materials industry in central China's Hubei province will accelerate its growth over the next few years by introducing more foreign funds and technology, according to a local official.

Wang Shuyi, general manager of the Hubei Provincial Building Materials Corporation, said that his company plans to set up more joint ventures with foreign companies, try to obtain loans and export credits from foreign governments and international financial institutions.

He also pledged to promote cooperation with big businesses in other countries and multi-national companies.

Hubei's building materials industry manufactured 11 billion yuan worth-of products in 1994, up 27 percent from the previous year, five percentage points higher than the nation's average.

"But still our building materials industry cannot meet the needs of Hubei's rapidly-growing economy," he said.

"Our industry has a vast market and rare development opportunity," he said.

For example, Hubei will undertake a number of cross-century gigantic products, including the Three Gorges Project on the Chang Jiang River, a plant to build one million motor vehicles a year to be built by the Dongfeng Automobile Company and a mill to turn out 10 million tons of steel annually to be built by the Wuhan Iron and Steel Company.

In addition, several major projects will also be launched in Hubei Province. These will include the Beijing-Zhuhai Expressway which will run through Hubei, the Shanghai-Chengdu Expressway which will also run through Hubei and a new railway line from the Hubei

provincial capital of Wuhan to Chongqing, the largest city in neighboring Sichuan Province.

Economists predicted that Hubei's investment in fixed assets will rise to 120 billion yuan by 2000 from 50 billion yuan at present.

By 2000 Hubei's demand for cement is estimated at 40 million tons, plate glass at 10 million standard cases, and construction ceramics at 80 million sq m.

But in 1994 Hubei turned out 15 million tons of cement, 2.44 million standard cases of plate glass and 20 million sq m of construction ceramics.

Renault Offers Vehicles for Sale in China

*OW2206155095 Beijing XINHUA in English
1530 GMT 22 Jun 95*

[FBIS Transcribed Text] Wuhan, June 22 (XINHUA) — The French company Renault today put its first automobile for the Chinese market, the eight-seat Trafic mini-van, up for sale.

The Sanjiang Renault Automobile Corporation, a joint venture of Renault and a domestic non-governmental aeronautical group, sold their first Trafic to the Department of Science and Technology of Hubei Province, marking the first step that the largest joint venture in the country's aeronautical sector is taking in marketing automobiles, experts here noted.

Developed in the early 1980s, the Trafic series so far have had remarkable success in sales in the European market, and some of the more than 1.2 million Trafics can be found running in various parts of the world, according to a company representative.

The Chinese-made Trafic belongs to the third generation of autos, with the engine, interior design and items such as the air-conditioner having been developed to cater to China's special needs and road conditions.

Investment in the first-phase of construction of the Joint venture is 100 million U.S. dollars, with 45 percent of that coming from Renault.

The venture began operation in March 1994 in Xiaogan City, near the provincial capital of Wuhan, and has an annual production capacity of 40,000 vehicles, which will be increased to 165,000 by the end of the century.

As the first subsidiary of Renault in China, the company has been extending its network of sales and service, first covering Hubei and eastern provinces, and big cities such as Beijing and Shanghai.

In addition, the amount of the Trafic's parts made in China will be increased to about 40 per cent next year, according to an official with the company.

Agriculture

State Urged To Take Back Key Grain Shops

*HK2206142995 Beijing ZHONGGUO XINWEN SHE
in English 1003 GMT 22 Jun 95*

[FBIS Transcribed Text] Beijing, June 22 (CNS) — China should take over key grain shops in urban areas which have been contracted by individuals as early as possible, said an official from the Ministry of Internal Trade in charge of grain work. At present, the key grain shops are being run by individuals via contracts.

The official pointed out that the state should preserve key state-owned grain shops, forming a reasonable distribution in urban areas. As a result, all key grain shops which are currently run by individuals should be taken back by the state as soon as possible. Strategically important, these grain shops and chain stores are responsible for urban residents' basic grain supply and are one of the major channels providing the general public with grain, similar to grain administrations in rural areas. Therefore, China should not hesitate in taking back its control over key grain shops.

The official further emphasized that China will rely on state-owned grain shops to control the grain market. Subsequently, strategically important grain shops and chain stores should combine together mainly for selling edible oil and grain and be significantly responsible for ensuring the supply of edible oil and grain, and curbing inflation.

Yunnan To Increase Investment in Agriculture

*OW2206171895 Beijing XINHUA in English
1601 GMT 22 Jun 95*

[FBIS Transcribed Text] Kunming, June 22 (XINHUA) — Southwest China's Yunnan Province will pour 2.75 billion yuan into agricultural production this year, making the province top in agricultural input in the country for six consecutive years.

As a result, the province has had good harvests for the past six years. In 1994, grain production in the province amounted to 11.46 billion kg, a 5.6 percent over 1993. Per capita grain averages 291 kg in the province.

With a population of 39.4 million people and a territory of 394,000 sq km, the province, with 94 percent mountainous, has had great difficulties in developing agriculture.

To increase grain output, the province has invested more than three billion yuan in transforming farmland and building irrigation works.

It has also improved marketing channels for agricultural materials to guarantee that they are available to farmers at lower prices.

By the end of the century, the province will construct 1.66 million hectares of guaranteed farmland so that it won't need to import grain.

At present, the province has to ship in 500 million kg of grain each year, 50 percent than in the past, but a local official said that the large investment will guarantee the province's agricultural development in the next century.

Drought To Cause Lower Grain Output

HK2206143895 Beijing ZHONGGUO XINWEN SHE
in English 0950 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (CNS) — According to the State Flood Control and Drought Relief Headquarters, since June there has been no rain in most of the regions in Northwest China, leading to serious drought. At present, arable land of 180 million mu have been hit by drought, and 13.1 million people and 9.12 million livestock do not have enough water to drink. Over 80 million mu of arable land in Inner Mongolia, Ningxia, Xinjiang, Gansu and Qinghai is affected, of which 13 million mu has now been rendered unsuitable for sowing crops. Pastoral area of 510,000 square kilometres has also been hit by drought. In order to fight the drought, the State has allocated RMB 13 million for drought combat.

Persistent drought has reduced the soil moisture. The relative soil humidity in Shanbei, Weibei and Shangluo in Shaanxi Province is now only 20 to 35 per cent, and almost all of the land is drying out. One-third of organizations, schools, factories and mines in Shangluo are in shortage of water. Most of the regions in Gansu have had no rain, so a decrease in grain output this summer is inevitable. Over 8 million mu of arable land cannot grow crops, and wheat on over 5 million of land is now dying. In the mountainous area of southern Ningxia, 688,000 people do not have enough food because of persistent drought. 500,000 people and several million livestock have insufficient water.

In the northern part of Shanxi Province, 70 per cent of crops cannot be sown due to dry soil, and arable land of 17.3 million mu have suffered from drought. There is also persistent and increasingly serious drought in central and western Inner Mongolia affecting the agriculture and livestock farming.

Law To Protect Farmland Being Crafted Carefully

OW2206132495 Beijing XINHUA in English
0945 GMT 22 Jun 95

[FBIS Transcribed Text] Beijing, June 22 (XINHUA) — The Chinese government is paying close attention to the formulation of the country's first Land Law, in a bid to effectively protect its constantly shrinking farmland.

Zou Yuchuan, head of the State Bureau of Land Administration, said today at a symposium marking the nation's fifth Land Day which falls on June 25 every year that China has achieved marked progress in protecting farmland in recent years and the sharp decrease of farmland has been checked.

According to the official, local authorities nationwide have taken strict steps to put in order the use of land and have severely punished those dealing with illegal transactions of farmland.

Zou said that protection of farmland in the country has become more effective, the official said.

But, he added, occupation of farmland remains serious in some places. Some cities have expanded uncheckedly their city propers by constantly seizing farmland while some other places have readjusted their agricultural structure irrationally by turning some farmland into fish ponds or orchards. [sentence as received]

Moreover, some township-run enterprises or farm households have also taken a lot of farmland for factory or housing construction.

Statistics show that in the last 10 years, the average annual decrease rate of farmland in China stood at 400,000 hectares.

Zou said that presently China's per capita share of farmland is 0.18 hectares, which is only 25 percent of the world's average. But the annual growth rate of China's population is 14 million.

So it is imperative to step up protection of farmland. The key to the question is to strengthen the legal system in land administration and the reform of the land use system, according to the official.

Wang Bingqian, vice-chairman of the Standing Committee of the National People's Congress (NPC), said at the symposium that the Standing Committee of the Eighth NPC has listed the formulation of the Land Law into its legislation plan.

Meanwhile, the Environment and Resource Protection Committee of the NPC, the Bureau of Legislative Affairs of the State Council and the State Bureau of

Land Administration are working jointly on the drafting of the Land Law.

Wang said that the enactment and enforcement of the Land Law will mark the establishment of the framework of land legal system under a market economy.

According to official sources, China has made marked progress in the legislation concerning land administration. The NPC Standing Committee has promulgated the Land-Use Law and the Law on Urban Real Estate Administration.

At the same time, the State Council has enacted eight administrative rules and regulations such as the Regulations on Protection of Farmland and the Provisional Regulations on the Leasing and Transfer of Use Right of State-Owned Land in Cities and Towns.

He said that the framework of the country's basic legal system in land administration has initially come into being.

***Jiangsu Reports Increased Rural Savings**

*95CE0444F Nanjing XINHUA RIBAO in Chinese
1 Jun 95 p 7*

[FBIS Summary] At the end of April, rural savings in agricultural banks and credit cooperatives in Jiangsu Province totaled 69 billion yuan, an increase of 7.81 billion yuan over the beginning of the year.

***Hubei Province Reports Corn Prices**

*95CE0444G Wuhan HUBEI RIBAO in Chinese
15 Jun 95 p 1*

[FBIS Summary] At present, the price of corn in Hubei has increased from 0.8 yuan per kilogram at the beginning of 1994 to 1.6 yuan.

East Region

Shanghai Sets Up Drug Rehabilitation Center

OW2306110895 Beijing XINHUA in English
0832 GMT 23 Jun 95

[FBIS Transcribed Text] Shanghai, June 23 (XINHUA) — A rehabilitation center for drug addicts was founded here today.

Zhu Daren, director of the city's public security bureau, said today that drug addicts will be forced to receive treatment in the center and those who relapse will be sent to labor camps, where they will continue to receive treatment.

He said that the center cost the city government three million yuan and that its establishment is necessary as international drug trafficking is becoming more active in China.

He said that in recent years several hundred drug-related cases have been handled annually in the city, while during the 1980s only dozens were detected.

The official said that the Shanghai police will strengthen co-operation with Interpol and will deal severely with smugglers, sellers, transporters and makers of drugs.

Independent Property Agency Set Up in Shanghai

OW2306110295 Beijing XINHUA in English
0828 GMT 23 Jun 95

[FBIS Transcribed Text] Shanghai, June 23 (XINHUA) — An independent property assessment [as received] agency was recently established in Shanghai, the leading industrial city in China.

As the modern enterprise system is being spread in the country, property assessment is becoming more and more important for enterprises.

At present, the largest industrial city has more than 20 specialized assessment agencies and more than 100 organizations which also conduct assessment business.

However, these agencies and organizations are all subordinated to government departments or units. In some cases, independence, objectiveness and justice are not guaranteed.

The Dongan Property Accesssion Agency is not affiliated to any organization although it receives guidance from the municipal department in charge of state property administration.

The agency implements a responsibility system, under which, the agency assumes legal responsibility for its assessment results.

Zhejiang's Li Zemin on Managing Collective Assets

OW2306023495 Hangzhou ZHEJIANG RIBAO
in Chinese 28 May 95 p 1

[Unattributed report: "Make Meticulous Arrangements and Give Stronger Leadership To Effectively Implement the Comprehensive Reform of the Management System of Rural Collective-Owned Assets"]

[FBIS Translated Text] While in Tongxiang City recently to conduct an inspection and survey on the experimental task of comprehensively reforming the management system of rural collective-owned assets, Li Zemin, Zhejiang provincial party committee secretary and chairman of the provincial people's congress standing committee, said emphatically: It is a matter of great significance and it is imperative that we carry out the comprehensive reform of the management system of rural collective-owned assets under the new situation of developing the socialist market economy. We are certain of this matter. Cadres at all levels should seek unity of thinking, make meticulous arrangements, give stronger leadership, and proceed from earnestly carrying out the experimental task and gaining experiences to enthusiastically but steadily carry out this reform.

Tongxiang City is the pioneer experimental city for the comprehensive reform of the management system of rural collective-owned assets in our province. Our province has particularly sent to the city a joint guiding group comprising the provincial party committee general office; provincial party committee organizational department; provincial people's congress committee of agriculture, economy, and industry; provincial rural work general office; provincial economic restructuring commission; and provincial bureau of village and town enterprises. The reform was started early this year under the leadership of the Tongxiang City party committee and government, and had gone through the three stages of preparations for reform, investigation and study, and formulation of programs. Trial implementation of the reform has begun in the three township and towns of Zhicun, Wutong, and Tidian.

The comprehensive reform of the management system of rural collective-owned assets has been implemented — in accordance with the guidelines of the Third and Fourth Plenary Sessions of the CPC Committee Central Committee, the guidelines of relevant provincial party committee documents and the provincial rural work meeting, and the demands of the socialist market economy and the modern enterprise system — to introduce new ideas to the organization and system of the rural collective-owned economic sector, improve the organizational structure of the rural collective-owned economic sector, establish and improve the rural

operational and management systems that maintain and increase the values of rural collective-owned assets, and explore new ways to consolidate and expand the rural collective-owned economic sector.

Li Zemin heard work reports by Ma Yunsheng, Tongxiang City party committee secretary, and comrades from the provincial guiding group, and arrived in Zhicun Township to attend a discussion meeting with leaders of the three experimental township and towns, and responsible persons of collective-owned village and town enterprises.

Li Zemin pointed out: It is imperative that we carry out the comprehensive reform of the management system of collective-owned assets under the conditions that we develop the socialist market economy and uphold the publicly owned economic sector as the mainstay, while simultaneously developing various other economic sectors. Effective implementation of this reform is of significance in many aspects: First, the reform is conducive to our upholding the public ownership's position as the mainstay, to consolidating and expanding the collective-owned economic sector, to maintaining and increasing the value of collective-owned assets, to intensifying the construction of rural grass-roots organizations, and to strengthening the concept of collective ownership among grass-roots cadres, peasants, and other people. The consolidation and development of the collectively owned economic sector provides the prop and support needed by public ownership, which serves as the mainstay, and also provides the economic basis for the rallying power and call of rural grass-roots party organizations. All tasks in rural areas could be carried out more effectively once the collectively owned economic sector gains strength.

Second, the reform helps introduce new ideas into the system of village and town enterprises, so that we could set up operating and supervisory mechanisms that suit the socialist market economy. Third, the reform is conducive to widening the channel for operating and increasing the value of collectively owned assets, and helps us gradually form, in the collectively owned economic sector, a new structure under which numerous means are used to operate and increase the values of industrial, land, and monetary assets. Because land presently used by village and town enterprises is a collectively owned asset, its use should be compensated, and its operation conducted in a manner that increases its value. This is so that we could open up a new channel for strengthening the collectively owned economic sector, economize on land resources, protect arable land according to law, and protect the agricultural sector. A good method for maintaining and increasing the values of collectively owned monetary assets is develop-

ing rural cooperative foundations. The widening of such a channel for raising and increasing the values of collectively owned funds will help solve the problem of insufficient capital in village and town enterprises and agriculture, and will help optimize the investment orientation of rural funds. Fourth, the reform is conducive to separating government administration from enterprise management in townships and towns, to streamlining township and town governments, and to promoting rectitude and honesty so that township and town leaders could concentrate more on agriculture. Fifth, the reform is conducive to the coordinated development of primary, secondary, and tertiary industries, to increasing the ability of townships and towns to impose economic regulation and control, to improving the quality of rural economies and economic operation, to helping rural economies attain certain scale and standards, and to increasing the capacity for sustained economic development.

Li Zemin said emphatically: We should first promote unity in ideological understanding among leading cadres at all levels and all departments if we want to effectively carry out the comprehensive reform of the management system of rural collective-owned assets. The reform is in line with the direction toward which the socialist market economy is developing, and it conforms with the principle of "being conducive to the three causes" put forward by Comrade Deng Xiaoping. We should earnestly focus on this matter, which we are certain of, and make meticulous arrangements, carry out experimental work, gain experiences, and gradually expand the reform. In the process of experimenting, we should focus on five key links — appraising the assets and determining the funds of enterprises, rationalizing systems, appointing leading bodies, establishing rules and regulations, and exploring new methods. Relevant provincial and city departments should provide better guidance to the experimental work, and Tongxiang City party committee and government should closely cooperate with relevant provincial departments, earnestly provide stronger leadership and policy-related guidance to the comprehensive reform of the management system of rural collective-owned assets, and carry out this experimental reform in a down-to-earth manner, so as to provide experiences for reform in the province. Where conditions permit, cities (prefectures) and counties may proceed from their realities to carry out experiments in this area and sum up their experiences.

Zhejiang Seeks To Be 'Strongest Marine Economy'

*HK2306075395 Beijing CHINA DAILY in English
22 Jun 95 p 1*

[Article by Tan Hongkai: "Zhejiang to Open Up Coast"]

[FBIS Transcribed Text] Hangzhou — East China's Zhejiang Province is opening its coastal resources to overseas investors in a bid to build itself into the "strongest marine economy" in the country.

"Our abundant marine resources will prove to be highly attractive to all investors," Liu Feng, Deputy Secretary of the Zhejiang Provincial Party Committee, told China Daily.

Port construction, marine fisheries, coastal processing industries, marine tourism and oil exploration will be the focus of local investment and international co-operation, Liu said.

"An investor may even take over an entire island, if he or she intends to undertake a full-scale development of the island," he added.

The provincial authorities hope to diversify the source of investment by opening further to overseas investors.

They have decided to give larger say to island administrations in approving projects that introduce foreign funds and technology.

"All forms of co-operation are welcome," Liu said. "And the potential benefits are promising."

The East China Sea is a treasure bowl for Zhejiang.

The provincial area of continental and territorial seas amounts to 42,400 square kilometres, or more than 260,000 if the continental shelf and the exclusive economic zone are taken into consideration.

It has the longest provincial coastline of more than 6,500 kilometres, and it claims more than 3,000 islands, each with an area of more than 500 square metres, more than one-third of the national total.

Seven of its 11 cities and prefectures have sea access.

"The greatest gift of the sea is that we have so many potential deep-water port locations," Liu said.

A total of 166 kilometres of the province's coastline is suitable for building berths with a capacity greater than 10,000 tons. More than 500 berths have been built, and the Beilun-Zhoushan region is considered an ideal location for an international deep-water port.

In 1994, the volume of freight handled by main ports surpassed 90 million tons, and the Beilun Port is expected to handle 100 million tons by 2000.

Liu was confident that these ports will become more important because the changing hydrological conditions of the Yangtze River are unfavourable for big ports, mainly because of silt.

Even the Shanghai Port will have to resort to them to accommodate big ships, according to many local officials. The province dispatched a group to canvass ports along the Yangtze River for better use of Zhejiang facilities.

Using an 18-year plan, the province will co-ordinate the development of the Ningbo, Zhoushan, Zhipu, Wenzhou and Haimen ports and subsidiary facilities.

Marine fisheries, the pillar of the area's marine industry, includes breeding, fishing, and processing.

Central-South Region

Hong Kong Woman Imprisoned in Shenzhen

HK2306064695 Hong Kong SOUTH CHINA MORNING POST in English 23 Jun 95 p 3

[By Billy Wong Wai-yuk]

[FBIS Transcribed Text] A Hong Kong woman has been jailed for 2-1/2 years in Shenzhen after a trial which her lawyers and family were not told about. Ng Oi-yung, 30, was sentenced in the procuratorate in Nan Shan district on Wednesday [21 June] for disrupting social order.

She was detained with two Hong Kong men and five mainlanders during a confrontation with hundreds of Public Security Bureau officers last December, as villagers tried to block the clearance of Heng Longgang village.

Ng's brother Ng Saiwing, 41, said in Hong Kong yesterday that he found out about the trial and sentence after a relative in Shenzhen watched the local television news on Wednesday evening. "Without informing our lawyer and any of our family members, the trial went ahead and a sentence was passed down the same day. It's totally ridiculous," he said.

Villagers alleged the Government was demolishing houses for development without giving them any compensation. Ng Oi-yung was said to have splashed urine on the Public security Bureau officers during the confrontation. The two Hong Kong men had been released a few weeks after the arrests. Only Ng Oi-yung faced charges.

"Some Chinese officials hinted to us that if we kept my sister's case low profile then she would be treated leniently. Now, I regret not doing more for her. We have fallen into their trap," said Mr Ng. He vowed to fight

for his sister's release using all available means. "She is a very direct and honest person.

"She made a lot of complaints to different departments and fought for the rights of the villagers all the time.

"I believed they were worried my sister would expose the ugly side of them in front of the media, so they decided to hold the trial behind closed doors," Mr Ng explained. Mr Ng plans to ask for help from the Preliminary Working Committee and petition Xinhua (New China News Agency).

Guangdong Publishes Rules for Processing Motions

HK2206024695 Beijing ZHONGGUO XINWEN SHE
in Chinese 0858 GMT 7 Jun 95

[By correspondents He Tiezan (0149 6993 6363) and Wang Yimin (3769 0110 3046): "Guangdong Provincial Government Promulgates Procedure for Processing Suggestions Made by People's Congress Deputies and Motions by CPPCC Members"]

[FBIS Translated Text] Guangzhou, 7 Jun (ZHONGGUO XINWEN SHE)—The Guangdong Provincial People's Government recently promulgated the "Procedure for Processing Suggestions Made by the People's Congress Deputies and Motions by the CPPCC members of Guangdong Province," setting unified and standard requirements for processing suggestions made by the people's congress deputies and motions by CPPCC members.

The "Procedure" contains 25 articles under six chapters, laying down detailed and clear provisions concerning exchange and processing of and replies to suggestions and motions as well as rewards and punishments for those cadres processing the suggestions and motions.

With the continued promotion of democracy and tightening up of the legal system, people's congress deputies, CPPCC members, democratic parties joining the CPPCC, and mass organizations throughout the province have displayed increasingly greater enthusiasm for participation in the discussion and administration of state affairs. Over the past years, the provincial government has kept in close touch with the functional departments of the provincial people's congress and CPPCC, taken initiative in cooperating with them, and made various explorations to improve the quality of the suggestions and motions and the quality of the processing work, making marked progress.

To raise the quality of the processing work, about 1,000 people have attended the work forum for leading cadres of units directly under the provincial government and government departments at all levels held by the provin-

cial government every year and the professional training classes for processing personnel, thus ensuring more suggestions and motions are adopted and processed in a satisfactory manner each year.

Guangdong 1994 Economic, Social Statistics

HK2206063395 Guangzhou NANFANG RIBAO
in Chinese 15 Mar 95 p 2

[Commuque issued by Guangdong Provincial Statistics Bureau on 15 March 1995: "Statistical Report Issued by Guangdong Provincial Statistics Bureau on National Economic Social Development in 1994"]

[FBIS Translated Text] In 1994, Guangdong Province conscientiously implemented the central authorities' guideline of "seizing the opportunity, expanding opening up, promoting development, and maintaining stability," thus achieving new successes in all social undertakings; ensuring sustained and rapid economic development; maintaining smooth progress in major reforms related to finance and taxation, banking, foreign exchange, foreign trade, and prices; and continuing to improve the living standards of urban and rural residents, while further intensifying and improving macroeconomic regulation and control. Preliminary statistics show that GDP for the year totaled 417.5 billion yuan, an increase of 18 percent over the previous year; secondary industry's output value increased by 214.9 billion yuan, an increase of 25 percent; and tertiary industry's output value increased by 136.4 billion yuan, an increase of 14.7 percent. The main problems that have emerged in the course of economic development are: excessively high price increases, poor conditions for agriculture, and slow progress in the efforts by some state-owned enterprises to turn deficits into profits.

I. Agriculture

A pretty good agricultural harvest was reaped last year despite severe natural disasters. During the year as a whole, agricultural output value increased by 66.2 billion yuan, an increase of 2.5 percent over the previous year. Gross agricultural output value topped 100 billion yuan for the first time and reached 107 billion yuan, an increase of 3.7 percent over the previous year.

With regard to the output of major agricultural products, the steep decline in grain output for three consecutive years has been stopped, and output has picked up again, output of vegetables has increased by a wide margin, while output of sugar cane, peanuts, and tobacco has dropped. The vulnerability of agricultural production to the transition to the market economy is quite obvious.

Output of major agricultural produce is listed below:

	1994	% Increase (metric ton) Over Previous Year
Grain	16,586,000	1.8
including: rice	14,340,400	0.6
Oil-bearing crop	647,000	-3.8
including: peanut	637,100	-3.5
Jute, bluish dogbane	6,800	-48.9
Sugar cane	15,049,000	-12.1
Tobacco	53,100	-31.0
Tea	33,200	8.1
Vegetables	15,099,300	10.4
Fruits	4,015,500	-0.2
including: Litchi	190,400	102.1

Further progress has been made in afforestation. Afforestation area completed in 1994 totaled 36,700 hectares, another 217,300 hectares of hilly land was encircled as reservation, protection and care were provided to young growth and middle forest covering a total area of 607,700 hectares, measures were taken for care of sparse and surviving woods covering a total area of 129,400 hectares, and new trees were regrown

on 74,100 hectares of slash. Thus the benign cycle of forestry has been maintained, ensuring that annual tree growth exceeds annual tree consumption.

All divisions of animal husbandry have registered growth. The output of main animal products and the amount of livestock are as follows:

	1994	% increase over previous year
Meat	2,785,000	2.6
including: pork	1,768,900	1.7
poultry	953,200	4.1
Cow milk	58,400	2.3
Eggs	284,700	4.9
Number of pigs at yearend	21,546,400 heads	0.5
Number of big livestock at yearend	4,668,600 heads	0.3
Number of sheep at yearend	193,600 heads	12.8

Fisheries have been constantly developing. The output of aquatic products for the year totaled 3.14 million metric tons, an increase of 11.9 percent over the previous year. Of this aquatic product output, fresh water fishery contributed 1,392,900 metric tons, an increase of 13.9 percent; while sea fishery contributed 1,748,100 metric tons, an increase of 10.3 percent.

The conditions for agricultural production have been further improved. By the end of the year, the total power of agricultural machinery owned by the province amounted to 16,580,700 kilowatts, an increase of 2.4 percent over the previous year; the amount of chemical fertilizer consumed (in terms of 100 percent active ingredients) totaled 1,708,200 metric tons, an increase of

3.1 percent; and the amount of electric power consumed by rural areas totaled 1,743,900 kwh, an increase of 36.6 percent. Meanwhile, construction of water conservancy works has been further intensified, and the area of effectively irrigated farmland has been increased.

II. Industry and Building Industry

Industrial production has kept on growing pretty fast. The industrial added value produced in the whole year totaled 173.5 billion yuan, an increase of 25.3 percent over the previous year. The realized gross industrial output value amounted to 694.8 billion yuan, an increase of 26.4 percent. Of the gross industrial output value, 548.177 billion yuan was contributed by industrial enterprises at and above the township level, an increase of 23.4 percent.

Of the gross industrial output value turned in by enterprises at and above the township level, light industry contributed 331.051 billion yuan, an increase

of 26.3 percent over the previous year; and heavy industry contributed 217.126 billion yuan, an increase of 18.1 percent. State-owned enterprises' output value grew by 6.6 percent (with the 10.3 percent growth in the output value of state holding enterprises taken into account); collective-run enterprises saw their output value increasing by 16 percent; and enterprises in other forms of economic ownership saw their output value increasing by 57.9 percent. The output value of large and medium-sized industrial enterprises increased by 10.3 percent. The realized export value totaled 167.805 billion yuan, an increase of 36.4 percent over the previous year.

The product mix has been further adjusted. The production of light industrial products, such as household refrigerators and air conditioners, grew pretty rapidly. The output of energy and raw and processed materials, such as electricity and cement, also increased remarkably.

The output of major industrial products is as follows:

	Figures in 1994	Increase over previous year (%)
Bicycles	6,545,800	7.1
Color television set	4,504,100	6.8
Household washing machine	2,469,500	1.5
Household refrigerator	1,894,900	53.2
Room air conditioner	1,600,600	40.0
Chemical fiber	269,900 metric tons	9.7
Yarn	122,000 metric tons	-30.8
Crude salt	271,800 metric tons	-25.2
Cigarette	1,575,700 cases	1.5
Beer	871,500 metric tons	13.7
Machine-made paper and paper board	1,969,700 metric tons	-8.9
Sugar (including raw sugar)	1,182,900 metric tons	-41.1
Raw coal	8,524,300 metric tons	-10.4
Crude oil output	8,524,300 metric tons	37.9
Crude oil processing volume	10,666,200 metric tons	-5.0
Electric energy production	73,561,000,000 kilowatt-hours	28.4
Steel	1,783,300 metric tons	5.6
Steel products	2,101,300 metric tons	10.1
Iron ore (weight of raw ore)	5,483,600 metric tons	-28.6

	Figures in 1994	Increase over previous year (%)
Sulphuric acid (in terms of 100% active ingredients)	961,400 metric tons	-7.3
Chemical fertilizer (in terms of 100% active ingredients)	578,500 metric tons	12.9
Cement	48,795,700 metric tons	23.9
Power generating equipment	142,000 kilowatts	65.7
Small tractor	45,200	-16.1
Motor car	29,500	-18.5
Motorbike	329,500	36.5

Industrial enterprises' comprehensive economic returns index for the year was 111.3. All-personnel labor productivity (in terms of incremental value) increased by 20.2 percent over the previous year. The total amount of profits and taxes was 46.271 billion yuan, an increase of 16.4 percent. But both the capital-profit/tax ratio and the return on cost dropped slightly, and enterprises suffered losses a little too much. The general level of industrial economic returns has yet to be further improved.

The building industry grew steadily. The realized added value of the building industry was up by 15.2 percent over the previous year. The total floor space of building projects under construction by state-owned contractors was 38,194,000 square meters, an increase of 8.5 percent; completed building floor space totaled 9,852,900 square meters, a decrease of 11.6 percent; and all-personnel labor productivity increased by 17.2 percent over the previous year.

New progress was made in geological prospecting. Last year, two major mineral mines were discovered or verified as industrial mineral deposits, and great progress was made in the prospecting of one mineral zone. Two important geological condition reports on potential large and medium-sized mines were submitted, and proven recoverable reserves of two mineral resources were found. The mileage of mechanical core drilling fulfilled by the geological survey sector was 600,000 meters.

III. Investment in Fixed Assets

The excessively high growth of investment in fixed assets has been suppressed. The value of investment in fixed assets completed by the whole society for the whole year totaled 204.633 billion yuan, an increase of 25.5 percent over the previous year, but the margin of growth was 51.3 percent lower than the figure in the previous year. Of this value, investment in capital construction accounted for 81.204 billion yuan, an

increase of 42.2 percent over the previous year; investment in equipment updating and technological transformation accounted for 23.321 billion yuan, an increase of 18.8 percent; and investment in real estate took up 39.037 billion yuan, an increase of 23.3 percent. A total of 2,656 new capital construction and equipment updating projects and technological transformation projects were launched last year, a decrease of 37.7 percent as compared with the figure for the previous year. However, the scale of on-going capital construction projects was still too large, with total investments in capital construction, equipment updating, and technological transformation amounting to 321.63 billion yuan by the end of the year.

As far as investment is concerned, preference continued to be given to infrastructure and basic industries. Of the investments in capital construction, equipment updating, and technological transformation, 1.181 billion yuan went to primary industry (including water conservation projects), accounting for 1.1 percent; 50.839 billion yuan was put into secondary industry, accounting for 48.7 percent; and 52.505 billion yuan was put into tertiary industry, accounting for 50.2 percent. The amount of investments devoted to infrastructure and basic industries totaled 63.297 billion yuan, accounting for 60.6 percent of investment in fixed assets. Of this, the energy industry shared 24.988 billion yuan, the raw and processed material industry shared 7.684 billion yuan, and the communication, transport, postal service, and telecommunications sector shared 29.444 billion yuan, all registering an increase to a varying extent over the previous year.

Construction of key projects progressed smoothly. Completed investment in 33 provincial key projects totaled 25.55 billion yuan, equivalent to 120.1 percent of the annual investment quota. Nine full investment projects were completed as scheduled. They were the Guangzhou-Shenzhen quasi-high-speed rail-

way, Phase One of the Yantian port project, the Guangzhou-Shenzhen expressway, the Guangdong telephone network, the Shenzhen Mawan power plant, the Dongguan-Shenzhen water supply extension project phase three, and so on.

The new increases in productivity and economic returns for the year are listed as follows: installed capacity of power generating units: 4.85 million kilowatts; expressway: 122.8 km; grade A, B, and C highway: 2,486 km; length of major railways put into operation: 505.5 km; berths at ports: 25, and annual cargo handling capacity: 5.16 million metric tons; capacity of telephone exchanges: 2.46 million lines.

IV. Transport, Postal Service, and Telecommunications

The business volume of the transport, postal service, and telecommunications sectors continued to grow. Last year registered a 27.6 billion yuan increase in the business value, or an increase of 29 percent over the previous year. But the shortage of railway transport capacity remained prominent.

The transport volume and cargo handling volume fulfilled by the transport sector are listed below:

	1994 (billion metric ton-km)	% increase over previous year
Cargo transport volume	363.271	19.9
Railway	27.134	3.6
Highway	0.887	8.6
Waterway	334.267	21.6
Civil aviation	0.233	37.1
Piping	0.75	-21
(billion person-km)		
Passenger transport volume	53.705	13.4
Railway	17.329	7.6
Highway	23.856	17
Waterway	1.783	-16.5
Civil aviation	10.737	22.8
(billion metric ton)		
Cargo handling volume	0.182	8.4

Postal and telecommunications services kept on growing at high speed. The business volume completed by the postal and telecommunications sector for the whole year totaled 14.28 billion yuan, an increase of 51.5 percent over the previous year. Telecommunications capacity increased substantially, with the number of telephone subscribers increasing by 1.33 million, the total telephone exchange capacity reaching 7.49 million lines, and the long-distance telephone facility reaching 140,000 lines. The telephone has become a more common utility.

V. Domestic Trade and Commodity Prices on the Market

The domestic consumer goods market has remained stable and has been getting brisk. The total volume of

consumer goods retail sales for the whole year amounted to 175.752 billion yuan, an increase of 28.2 percent over the previous year. The actual growth was 7.8 percent with the inflation factor taken into account. Of this growth in retail sales volume, urban areas shared 126.289 billion yuan, an increase of 27 percent; whereas rural areas shared 49.463 billion yuan, an increase of 31.4 percent. All kinds of commodities were in ample supply on the market, and the retail sales volume of each commodity increased to a varying extent.

The market shares of different economic sectors changed remarkably. With regard to the consumer goods retail sales, the market share of state-run commercial establishments dropped from 37.4 percent in the previous year to 31.3 percent last year, the market share

of collective-run commercial establishment rose from 16.4 percent in the previous year to 17.9 percent last year, while the market share of other economic sectors (including individual, private, public and private jointly owned, and peasant and non-agricultural population jointly owned economies) rose from 46.2 percent in the previous year to 50.8 percent last year. Among state-run commercial establishments, large-sized enterprises saw their economic returns increased remarkably through the transformation of their operational mechanisms, whereas some medium- and small-sized enterprises saw their economic returns decreased.

Consumption of capital goods remained stable. The value of raw and processed materials and energy consumed by industrial, communications and transport, and construction enterprises at and above the county level during the whole year totaled 200.103 billion yuan, an increase of 12.6 percent over the previous year. For material supply and marketing enterprises, business was slack. During the whole year, the value of capital goods purchased by material supply and marketing enterprises at and above the county level totaled 48.704 billion yuan, a decrease of 16.8 percent as compared with the figure in the previous year; and the value of their sales totaled 51.274 billion yuan, a decrease of 16 percent.

Commodity prices, especially foodstuff prices, increased by a wide margin for several reasons: the lagging effects of policy-dictated price adjustments and the substantial increase in demand for investment and in the money supply in the two previous years, plus the short supply of agricultural products as a result of flood in the past two years and some macroeconomic reform measures adopted by the state that affected commodity prices. This has emerged as a prominent problem in economic life.

The following is a list of the increase margin of the prices of various commodities (%)

1. Resident consumption price in general	21.7
for: urban areas	21.0
rural areas	22.5
by category of commodities and services:	
foodstuffs	26.9
grain	56.1
poultry and related products	30.2
vegetable oil for cooking	36.3

1. Resident consumption price in general	21.7
eggs	13.7
aquatic products	19.0
fresh vegetable	25.6
catering industry	28.3
clothing	16.1
household appliances and supplies	13.0
medical and health products	10.1
communications and telecommunications equipment	10.7
articles for entertainment and education, and stationery	10.7
articles for daily use	19.0
other services	22.9
2. Commodities retail prices in general	18.9
for: urban areas	18.1
rural areas	20.0
3. Agricultural capital goods retail price	15.8
4. Agricultural product procurement price	26.6

VI. Foreign Economic Relations

Thanks to the new round of reform of the foreign trade structure initiated by the state, the province made a historical breakthrough in import-export trade. According to customs statistics, the province's total import-export volume for the whole year amounted to \$96.663 billion, an increase of 23.4 percent over the previous year. Of this import-export volume, export trade contributed \$50.211 billion, an increase of 34.3 percent; import trade contributed \$46.452 billion, an increase of 13.4 percent. The import-export mix continued to improve. The exported portion of industrial finished products increased, while imports of raw and processed materials that were in short supply in the province increased as well. Foreign-funded enterprises have been playing a more prominent role in foreign trade. Business between this province and its major trade partners abroad has been developing steadily.

New progress has been made in the utilization of foreign funds. The amount of foreign funds actually utilized in the whole year topped \$10 billion to reach

\$11.446 billion, an increase of 18.6 percent. Of this, direct investments by foreign businessmen amounted to \$9.397 billion, an increase of 25.3 percent. The number of newly signed project contracts in the whole year decreased, but these contracts promised better returns, with the investments injected into a wider range of fields to run projects of larger scale. Transnational companies and large enterprises have increased their investments. By the end of 1994, the number of registered foreign-funded enterprises had reached 57,206, an increase of 8,501 firms over the end of the previous year.

New progress has been made in economic and technological cooperation with foreign countries. The total value of contracts signed by contractors of this province to run projects for foreign parties amounted to \$103 million, while the actual business turnover for the year amounted to \$127 million, an increase of 123.9 percent and 0.8 percent respectively. The total value of contracts signed on exports of labor services amounted to \$262 million, while the actual business turnover for the year amounted to \$198 million, an increase of 0.1 percent and 30.3 percent respectively. At the end of the year, a total of 33,300 people were working abroad under labor service contracts, an increase of 8.8 percent over the end of the previous year.

The international tourism business is recovering. During the year, the number of international tourists entering China via entry ports in Guangdong Province totaled 34.268 million people, an increase of 4.5 percent over the previous year. The number of international tourists entertained by guesthouses and hotels totaled 6.108 million, a decrease of 5.7 percent. Of these tourists, 1.078 million were foreigners, an increase of 12.5 percent. Foreign exchange earnings derived from the travel industry remained pretty stable.

VII. Banking and Insurance

Banking kept on developing steadily and healthily in this province, as the banking sector conscientiously implemented the state's guideline for banking and properly carried out banking and monetary policies. All categories of deposits continued to increase, and stability in the growth trend has been strengthened as well. The total amount of loans increased steadily, the loans mix has been modified, as there was an increase in loans designated to finance key construction projects, to readjust the production structure, and to support state-owned enterprises producing marketable products and running at good economic returns.

By the end of 1994, the balance of all categories of deposits in state-owned banks in the province amounted to 331.599 billion yuan, an increase of 21.2 percent over the end of the previous year. Of this amount of deposits,

those deposited by enterprises totaled 142.097 billion yuan, an increase of 18.3 percent. The balance of all kinds of loans totaled 257.28 billion yuan, an increase of 13.3 percent over the end of the previous year, including 199.095 billion yuan of short-term loans, an increase of 11.0 percent; and 42.709 billion yuan of medium and long-term loans, an increase of 17.3 percent. The balance between cash supplied and withdrawn by all banks for the whole year was a net money supply of 5.306 billion yuan, a decrease of 18.274 billion yuan as compared with the figure by the end of the previous year. The balance of savings deposits of individual residents totaled 225.404 billion yuan [figure as published] by the end of the year, an increase of 25.2 percent over the previous year.

The insurance business grew substantially. In 1994, the insured amount for all kinds of properties totaled 1,439.16 billion yuan, an increase of 51 percent over the previous year. Premium revenue totalled 7.262 billion yuan, an increase of 35.6 percent, including 3.15 billion yuan of property insurance premiums, and 2.209 billion yuan of life insurance premiums. The amount of all types of property insurance claims totaled 3.627 billion yuan, and the amount of life insurance claims and other relevant payment totaled 572 million yuan.

VIII. Science and Technology

New progress has been made in the development of science and technology. During the year this province won 252 science and technology awards at the provincial level, including 228 scientific and technological progress awards at the provincial level and 24 natural science awards at the provincial level. Remarkable results were scored in all the key projects and programs, such as the Torch Plan, the Spark Plan, and Scientific and Technological Key Task Project. High and new technology industries developed rapidly. A total of 241 enterprises in the province have been identified as high and new-technology enterprises, and 1,000 products have been classified as high and new-technology products.

The ranks of scientific and technological personnel have been further expanded, and more funds were invested in scientific and technological development. State-owned enterprises and service units in the province employed 771,600 professional personnel specialized in natural and social sciences (not including the staff of central organizations in Guangdong Province), an increase of 6.1 percent over the previous year. In the province there were a total of 507 state-financed independent research and scientific and technological development organizations and scientific and technological intelligence and information services at and above the county level, 415

scientific and technological organizations run by institutes of higher learning, and 774 technological development organizations run by large and medium-sized industrial enterprises; there were 74,600 professionals engaging in scientific and technological research; the funds allocated for scientific and technological development totaled 3.412 billion yuan, an increase of 23.7 percent.

Comprehensive technical services have been further improved. There were 55 product quality monitoring and testing organizations operating in the province. During the year, the province received and processed 5,883 applications for patent registration, an increase of 17.2 percent over the previous year, and granted patent right to 3,149 patent applicants, a decrease of 30.7 percent as compared with the figure of the previous year. Survey and mapping units produced a total of 3,146 maps of different scales, and published 86 maps and books for public circulation. There were a total of 53 ultrashort-wave weather forecast and alarm service radio transmission stations operating in the province, and the seismological and oceanic research sectors made new contributions to relevant scientific and technological services.

The transaction volume of the technology market decreased. A total of 5,839 technological project contracts of all kinds were signed over the year, involving a total value of 959 million yuan, a decrease of 23.2 and 8.1 percent respectively as compared with the figures of the previous year. Academic organizations in natural and social sciences in the province were active in promoting academic exchanges, associations of scientists, associations of technicians, and professional technical societies in rural areas extensively promoted mass scientific and technological activities. Over the year technicians' associations in the province succeeded in resolving 4,138 key technical problems.

IX. Education, Culture, Public Health, and Physical Culture

Both tertiary and secondary education have developed steadily. A total of 1,913 post-graduate students were admitted into colleges and universities and scientific research institutes last year, an increase of 23.3 percent over the previous year; total post-graduate enrollment was 4,738 students, an increase of 19 percent. A total of 47,600 undergraduate students were admitted into ordinary colleges and universities in the year with zero growth, and the total undergraduate enrollment was 137,500, an increase of 17.5 percent over the previous year. A total of 54,100 students were admitted into technical secondary schools, an increase of 7.1 percent

over the previous year, while the total enrollment was 130,200, an increase of 10 percent.

The standard of basic education has been further lifted. Nine-year compulsory education has been practiced in 81 counties (cities, districts) of the province. The total enrollment of junior secondary schools in the province was 2.727 million and the total enrollment of primary schools was 8.622 million. The school enrollment rate of the population within the primary school age bracket was 99.58 percent, an increase of 0.12 percentage points over the previous year. The rate of pupils quitting school was 1.08 percent for ordinary secondary schools and 4.96 percent for primary schools, decreases of 0.15 and 0.74 percentage points respectively.

Continuing education for adults developed further. The enrollment of institutes of higher education for adults was 137,000, and that of vocational secondary schools for adults was 207,400, respectively an increase of 9.4 and 26.2 percent over the previous year. Adult enrollment in secondary and primary schools was 475,000, while technical training schools for adults offered training to 840,000 students. During the year, 22,700 young and more mature illiterates in the province became literate, while the illiteracy rate among the young and more mature population decreased from 0.54 percent in the previous year to 0.32 percent last year. Thus, the province fulfilled one year ahead of schedule its magnificent target of basically turning all the young and more mature population literate.

Cultural endeavors prospered, and cultural facilities increased pretty fast. Now in this province there are 133 professional art performing companies, 136 mass art centers and cultural centers, 111 public libraries at and above the county level, 108 museums, and 148 archive centers. There are 96 broadcasting stations, 12 medium-wave radio transmission and relay stations, 50 television stations, and 35 television transmission and relay stations with a power of 1 kilowatt or above each. Over the past year, a total of 310 million copies of books were published, 2.228 billion copies of newspapers were sold, and 208 million copies of periodicals were published in the province.

New progress has been made in the public health service. By the end of the year, there were 134,300 beds in all the hospitals in the province, an increase of 3.9 percent over the previous year. There were 220,100 professional public health personnel, an increase of 3.9 percent, including 94,400 physicians, an increase of 4.8 percent. The province actively promoted the patriotic health campaign, and the public health facilities in rural areas were further improved.

More achievements were made in the area of sports and physical culture. Last year, athletes of this province broke 13 world records and 20 national records, and won 23 world championships and 85 national championships in major sports events at home and abroad. Mass physical cultural activities flourished. A total of 2,149 sports games at and above the county level were held in the province over the year, and a total of 1.086 million athletes participated in the games. The ninth provincial sports games was successfully held in October.

X. Population and People's Livelihood

Encouraging results were scored in family planning. The province's birth rate was 18.2 per thousand and the death rate was 5.78 per thousand last year. Thus the natural population growth rate was 12.42 per thousand, a decrease of 0.008 percentage points as compared with the figure in the previous year. By the end of the year, the province's permanent population was 66.89 million, an increase of 820,000 people over the end of the previous year.

The residents' income grew steadily. Findings of sampling surveys show that the urban residents' per-capita living expenditure income was 5,877 yuan last year, an increase of 37.4 percent, or actual growth of 13.6 percent with the inflation factor taken into account. Peasant's per-capita net income was 2,182 yuan, an increase of 30.3 percent, or actual growth of 3.8 percent [figures as published] if the inflation factor was taken into account. However, the income gap further widened between different areas and between urban and rural areas, and the real income level of some residents has fallen.

Steady progress was made in work regarding employment. The number of appointment service agencies of all kinds increased to more than 1100. The working population in urban areas increased by 456,100 over the year. By the end of the year, the urban unemployment population was 203,500, and the unemployment rate was 1.86 percent. At the end of the year, the number of staff and workers in urban areas of the province totaled 8.796 million, an increase of 24,800 people over the end of the previous year. There were 1.744 million people working for private enterprises or as self-employed laborers in urban areas, an increase of 311,900 people. Staff and workers employed by township and town enterprises totaled 9.8 million, an increase of 644,900 people. There were 1.566 million people working for private enterprises or as self-employed laborers in rural areas, an increase of 151,300 people.

Steady progress was made in the reform of social insurance. A total of 4.18 million staff and workers in the province have joined unemployment insurance programs, and 5.06 million staff and workers and 1.155

million retirees have joined social pension insurance programs.

The salaries and wages of staff members and workers increased pretty rapidly. The amount of salaries and wages earned by staff and workers in urban areas in the province totaled 61.149 billion yuan, an increase of 34.3 percent over the previous year; their average annual salary and wage income was 7,104 yuan, an increase of 33.4 percent. Actual growth for the above two figures was respectively 11 and 10.2 percent with the inflation factor taken into account.

Living conditions in urban areas continued to improve. The residential floor space completed in urban areas last year totaled 27.16 million square meters, and that completed in rural areas last year was 35.92 million square meters.

Social welfare further developed. The total number of beds in all kinds of social welfare centers in the province reached 46,700, an increase of 8.9 percent over the previous year. These centers accommodated a total of 36,400 people, an increase of 12 percent. Social security networks and facilities have been built up in 1,050 townships and towns in the province, and 9,734 urban district service and neighborhood service centers have been operating across the province.

Environmental protection undertakings have been developing constantly. By the end of the year, there were 5,184 people working for the province's environmental protection sector, operating 119 environmental monitoring stations. There are in the province 19 national and provincial natural reservation zones. By the end of the year, 179 smoke and dust control areas and 83 noise control areas had been set up in the province. Last year, 188 scheduled environmental protection projects were completed, involving a total investment of 183 million yuan. Notes:

1. Statistical data provided in this communique are preliminary findings.
2. The absolute values of such figures as GDP and output increases and the gross output of different sectors are counted in terms of current prices, while the growth rate is calculated in terms of constant prices.

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[EBIS Translated Text] In 1994, Henan's people, under the leadership of the provincial party committee and provincial government, earnestly implemented the principle of the Central Committee and the State Council on reform, development and stability, continued to score results in macroeconomic regulation and control, smoothly implemented various major reforms, and enjoyed sustained rapid growth in the national economy, and continuous improvement in people's living standards; new progress was made in various social undertakings, and the province's comprehensive economic strength was further augmented. Initial calculation shows that the annual gross domestic product was 215 billion yuan, up by 13.6 percent from the previous year; of which, the output of secondary industry increased by 107 billion yuan, up by 21.6 percent; and that of tertiary industry increased by 60 billion yuan, up by 12.7 percent. The major problems in economic operation were: Excessively high range of market price rises; the agricultural base remained weak; and some

state-owned industrial enterprises faced difficulties in production operations.

1. Agriculture

In 1994, rural reform continued to develop in depth, the party basic rural policy maintained its continuity and stability. The rural industrial setup has been further optimized; enterprises in townships and towns maintained a fast growth rate, with a pattern of mutual complementarity between industries initially taking shape. Agricultural production maintained its momentum in development despite serious natural disasters. The annual increased value of agriculture was 48 billion yuan, up by 1 percent from the previous year.

Farming suffered from natural disasters. Output of grains, cotton, tobacco, and jute was cut back to various degrees; output of edible oil increased somewhat; output of fruits, aquatic products, and vegetables increased by a wide margin. The annual increased value of farming was 32.55 billion yuan, down by 3.8 percent from the previous year.

Output of major farm produce is as follows:

	1994	% change on previous year
Grains	32.538 million tonnes	-10.6
of which: summer grains	18.2201 million tonnes	-6.3
autumn grains	14.3179 million tonnes	-15.6
of which: cereals	28.7902 million tonnes	-10.6
beans	1.2078 million tonnes	-0.3
tuber crops	2.54 million tonnes	-14.2
Cotton	628.100 tonnes	-4.8
Edible oil crops	2.25 million tonnes	10.0
of which: rape seed	287.000 tonnes	-6.1
peanut	1.798 million tonnes	15.3
Tobacco	236.000 tonnes	-36.7
Tea	36.93 million tonnes	15.1
Jute	89.900 tonnes	-46.8
Vegetables (including gourds)	15.278 million tonnes	21.0
Fruits	1.7054 million tonnes	36.3

New accomplishments were scored in forestry production. The annual increased value of forestry was 2.646

billion yuan, up by 7.3 percent over the previous year. The area of afforestation was 292,000 hectares across

the province, up by 27.3 percent from the previous year. There was a rise in the proportion of cash forest, with quality of afforestation improved and work in forest control and protection strengthened somewhat. The greening area further expanded.

Production of animal husbandry increased in a comprehensive way. The annual increased value of animal

husbandry was 12.324 billion yuan, up by 13.9 percent from the previous year. Output of major animal produce, the number of livestock on hand and slaughtered increased by a wide margin, with the commodity rate going up further.

Output of major animal produce and number of livestock on hand:

	1994	% up from previous year
Meat	2.51 million tonnes	23.3
of which: pork	1.6581 million tonnes	20.5
Milk	49,800 tonnes	43.1
Eggs	1.2436 million tonnes	30.1
Pigs slaughtered	20.0123 million heads	22.2
Cattle slaughtered	3.523 million heads	30
Sheep slaughtered	13.195 million heads	30
Large animal in stock at year end	13.2918 million heads	9.7
of which: cattle	11.5 million heads	10.9
Pigs in stock at year end	23.2517 million heads	11.5
Sheep and goats in stock at year end	17.0141 million heads	18.6

Fishery production maintained growth. The annual increased value in fishery was 480 million yuan, up by 9.9 percent from the previous year. Output of aquatic products was 154,000 tonnes, up by 11.4 percent from the previous year.

The condition of agricultural production improved somewhat. The province's general capacity of agricultural machinery was 27,8048 kw at the end of 1994, up by 6 percent over the same period of the previous year; the number of heavy-duty trucks for agricultural purposes was 45,600, up by 6.3 percent; the capacity of motorized machinery for irrigation was 6.9148 million kw, up by 3.8 percent; the volume of chemical fertilizers (in terms of 100 percent active ingredients) applied was 2.9247 million tonnes, up by 1.5 percent; the volume of power generated for rural use was 7.264 billion kwh, up by 18.9 percent. The newly increased effective irrigation area across the province was 107,000 hectares.

2. Industry and the Construction Industry

Industrial production enjoyed rapid growth. In 1994, the province's industry fulfilled an increased value of 96 billion yuan, up by 22.6 percent from the previous year; of which, state-owned industry increased by 5.8 percent; and industry of collective ownership 34 percent. Large and medium-sized enterprises increased by 5.3 percent.

Light industry enjoyed a faster growth than heavy industry. The annual increased value of light industry was 35.8 billion yuan, up by 26 percent from the previous year; the increased value of heavy industry was 60.2 billion yuan, up by 21 percent from the previous year. Production of marketable products enjoyed a relatively fast growth.

Output of major industrial products (industry at and above township levels) is as follows:

	1994	% up from previous year
Bicycles	2.0456 million	11.2
TV sets	321,800	-5.4
of which: color TV sets	160,000	59.6
Tape recorders	499,300	140.1
Refrigerators	516,200	98.5
Chemical fibers	95,500 tonnes	20.3
Cotton yarn	323,100 tonnes	-16.5
Cotton fabrics	1.053 billion meters	-5.1
Woolen fabrics	14.5221 million meters	44.2
Cigarettes	2.9646 cases	-0.5
Wine & liquor	775,300 tonnes	14.0
Machine-made paper & paper board	1.11729 million tonnes	38.1
Synthetic detergents	109,100 tonnes	9.1
Matches	27,900 cartons	1.5
Soap	32,600 tonnes	4.0
Coal	89.8492 million tonnes	2.9
Crude oil	6.8824 million tonnes	-9.8
Power generated	68.477 billion kw/hr	11.4
Pig iron	2.6559 million tonnes	10.1
Steel	2.3128 million tonnes	-2.7
Steel products	2.153 million tonnes	1.6
Sulphuric acid	568,500 tonnes	35.2
Soda ash	231,300 tonnes	23.1
Soda	226,400 tonnes	15.2
Synthetic ammonia	2.2412 million tonnes	12.0
Chemical fertilizers (in terms of 100% active ingredients)	1.9195 million tonnes	10.1
Cement	20.0267 million tonnes	14.0
Sheet glass	14.6276 million boxes	12.9
Machine tools	1,742	-49.0
Large, medium-sized tractors	9,480	4.1
Small-size tractors	153,100	54.2

The industrial economic index improved somewhat. In 1994, Henan's comprehensive index of the industrial

economy was 97.7 percent, up by 1.3 percentage points from the previous year; the production-marketing rate

of industrial products was 97 percent, down by 0.5 percentage points; the rate of profits and taxes yielded by funds was 10.5 percent, up by 0.7 percentage points; the profit rate on costs was 5.1 percent, up by 0.7 percentage points; the number of cycles of circulation funds was 1.48, slower by 0.09 time than the previous year; labor productivity of total workers calculated by increased value was 14,968 yuan per capita, up by 3,422 yuan from the previous year. However, some state-owned enterprises faced difficulties in their operation, with growing deficits.

The construction industry continued to enjoy fast growth. The annual increased value of the construction industry was 11 billion yuan, up by 13.3 percent from the previous year. The floor space of construction completed by state-owned construction enterprises was 5,003 million sq m, down by 3.8 percent from the previous year, of which, the floor space of residential houses completed was 2,166 sq m, up by 14.4 percent.

New progress was made in general geological survey. In 1994, the province completed a work load of 190,270 meters in mechanical core-drilling, newly discovered 11 mineral mines, and submitted newly increased deposits of 11 sorts of minerals.

3. Investment in Fixed Assets

Investment in fixed assets grew steadily. In 1994, the volume of investment in fixed assets in society across the province was 60.32 billion yuan, up by 33.9 percent from the previous year (the actual work load increased by 19.6 percent,) down by 7.4 percentage points in growth range from the previous year; of which, investment by state-owned units was 41.341 billion yuan, up by 48.4 percent; investment by units of collective ownership was 8.445 billion yuan, up by 12 percent; investment by individuals in urban and rural areas was 10.534 billion yuan, up by 43.1 percent. In investment in state-owned units, investment in fixed assets was 23.418 billion yuan, up by 53.4 percent; investment in renovation and transformation was 11.531 billion yuan, up by 37 percent; investment in real estates was 3.851 billion yuan, up by 52.4 percent. Investment in central projects was 15.213 billion yuan, up by 44.2 percent.

Continuous improvement was made in the investment structure. In investment in state-owned units, investment in primary industry was 2.17 billion yuan (of which, investment in water conservancy projects was 1.897 billion yuan,) calculated in terms of comparable items,

up by 50.5 percent from the previous year; investment in secondary industry was 21.645 billion yuan, up by 36 percent, and investment in tertiary industry was 17.527 billion yuan, up by 68 percent, with an investment share of 42.4 percent, up by 5.1 percentage points; of which, investment in communications, transportation, post and telecommunications was 7.666 billion yuan, up by 111.8 percent, with the investment proportion rising to 18.5 percent from 13 percent in the previous year. Over the past year, 311 new projects with an investment above 5 million yuan were under way; of which, 211 were in agriculture, energy resources, raw materials, communications, transportation, post and telecommunications and residential housing, accounting for 71.7 percent.

Relatively great accomplishments were made in key projects. Sixty-five large and medium-sized projects of capital construction and projects of renovation and transformation above quota fulfilled an investment of 9.587 billion yuan. Key projects, including the Luoyang Fireproof Materials Factory, the Kaifeng-Zhenzhou and Zhenzhou-Xuegao expressways, and the Sanmenxia Cement Works, were completed and put into production.

The amount of newly increased fixed assets of state-owned units across the province was 18.492 billion yuan. Initial statistics showed that newly increased major production capacities in 1994 were, namely, 960,000 tonnes of coal, 289,000 tonnes of natural gas and oil, 300,000 kw of power generating equipment, 2.18 million boxes of sheet glass, 300,000 tonnes of vacuum concentrated salt, 494.8 km of power transmission lines over 110,000 volts, and 110 km of advanced highways.

4. Communications, Transportation, Post and Telecommunications

Production in communications, transportation, warehousing, and posts and telecommunications increased in a comprehensive way. In 1994, the province fulfilled an increased value of 11.5 billion yuan in communications, transportation, storage, and posts and telecommunications, up by 10.8 percent from the previous year. The transportation trade fulfilled a freight volume of 507.316 million tonnes, up by 7.1 percent from the previous year; a volume of passenger transportation of 626.823 million was fulfilled, up by 2.3 percent. Air transportation enjoyed a relatively fast growth, with a volume of 420,000 passengers transported, up by 61.5 percent from the previous year. "Bottlenecks" in communications and transportation have eased somewhat.

	1994	% up from previous year
Volume of freight transport	143.238 billion ton-km	7.1
of which: Central railway	115.801 billion ton-km	6.0
Local railway	642 million ton-km	-8.8
Highway	25.842 billion ton-km	13.6
Waterway	953 million ton-km	2.0
Volume of passengers transport	56.029 billion person/km	4.1
of which: Central railway	2.9817 billion person/km	1.2
Local railway	119 million person/km	-10.5
Highway	26.074 billion person/km	7.7
Waterway	20 million person/km	-42.1

The volume of operations in posts and telecommunications fulfilled was 1.89 billion yuan in 1994, up by 54.5 percent from the previous year. By the end of 1994, there were 781,000 inner-city telephone lines, up by 302,000 lines. There was a relatively greater increase in the capacity of digital-controlled telephones, accounting for 93.4 percent of the general capacity of urban telephones. Presently, 17 cities, prefectures, and 99 counties (cities) have been connected to the digital-controlled exchange network. The scope of messenger call services and cellular phones further expanded.

5. Domestic Trade and Market Prices

The increased value of wholesale and retail trade and catering business was 13.5 billion yuan in 1994, up by 12.3 percent from the previous year, and the consumer goods market was brisk and steady. The retail sale volume in society was 70.246 billion yuan, up by 35.8 percent from the previous year; deducting price rise factor, the actual growth was 12.6 percent, of which 34.82 billion yuan was in the cities, up by 37 percent, and 35.426 billion in the rural areas, up by 34.6 percent.

In terms of economic categories, the retail sales volume of state-owned enterprises was 25.36 billion yuan, up by 17 percent; that of collective enterprises was 15.083 billion yuan; and that of other economic categories was 29.8093 billion yuan, up by 51.1 percent, of which the retail sales volume of peasants to the non-agricultural populace increased by 39.7 percent.

Changes have taken place in the consumption structure, with ups and downs in the sales volume of major consumer goods. In foodstuffs, eggs enjoyed a relatively great growth range, up by 24.7 percent from the previous year. The sales volume of pork and aquatic products was basically on a par with the previous year.

Of garments and durable goods, garments, color TV sets, and refrigerators enjoyed a 10 percent growth; such new-wave commodities as air-conditioners, motorcycles, video-recorders, and telephones enjoyed a comparatively great increase range, up by more than 25 percent from the previous year. The supply-and-demand relationship in the production materials market was relaxed, with comparatively greater changes in the market pattern, and trade of materials supply and marketing enterprises was slack.

The price rise range was excessively high. The general price level of retail sales in 1994 went up by 25 percent and more from the previous year; of which, price rises for foodstuffs were the most obvious, and prices in the rural areas rose comparatively faster. However, price reform has played an important role in ironing out price relations, narrowing the difference between industrial and agricultural products, and promoting the shaping of the market mechanism.

Price indexes in various categories in 1994 are as follows:

General index of retail sale prices	120.6
of which: cities	118.2
rural areas	122.3
General index of consumer goods prices	125.2
of which: cities	127.4
rural areas	123.5
1. Foodstuff	135.9

General index of retail sale prices	120.6
of which: grains	151.6
2. Garments	111.5
3. Home appliances	109.2
4. Medical treatment, health care	108
5. communications, transportation, telecommunications instruments	106.1
6. Entertainment, educational, cultural articles	111.8
7. Housing	149.7
8. Services	124.4

6. Foreign Economic Relations and International Tourism Industry

Foreign trade enjoyed sustained and steady growth. The smooth implementation of foreign restructuring has promoted the acceleration of opening up to the world. The gross value of imports and exports of the whole province was \$2.18 billion, up by 12.9 percent from the previous year calculated in terms of comparable items; of which the gross export value was \$1.57 billion, up by 14.7 percent. Of the gross export value, industrial and mineral products accounted for 70.6 percent, up by 4.2 percentage points from the previous year.

A sound momentum was maintained in utilizing foreign capital. In 1994, 1,031 new contracts on utilizing foreign capital were signed, involving a volume of \$1.615 billion outside negotiations; of which, \$824 million were foreign loans, up by 20.9 percent. The volume of foreign capital actually utilized was \$828 million, up by 49.1 percent. The investment realm was expanded, and foreign-funded enterprises developed relatively fast. By the end of 1994, the number of registered foreign-funded enterprises was 3,787, up by 41.6 percent over the same period in the previous year.

The province signed 98 contracts on contracted projects and cooperation in labor services, involving a sum of \$108 million in the contracts, up by 24.1 percent. The annual volume of business fulfilled was \$56.26 million. The international tourist industry continued to develop, the province received 126,000 overseas tourists who spent the night in various places in the province, with a 9.5 percent increase in foreign exchange income from the tourist industry.

7. Monetary and Insurance Business

The monetary order was stable. In 1994, relatively great progress was made in monetary restructuring. The government augmented its ability in regulation and control over credit and money; savings deposits in various categories in monetary organizations increased by a comparatively wide margin, and the condition of withdrawal of currency from circulation was sound. The volume of year-end balance of monetary organizations in the province was 160.149 billion yuan, up by 45.783 billion yuan from the beginning of the year; of which, the balance of enterprise deposits was 38.163 billion yuan, up by 10.583 billion year from the beginning of the year; the balance of loans in various categories was 170.236 billion yuan, up by 33.538 billion yuan from the beginning of the year. The net input of currency of the year was 6.192 billion yuan, down by 218 million yuan from the previous year.

Savings deposits of urban and rural residents grew by a wide margin. By year-end 1994, the balance of savings deposits of urban and rural citizens in the whole province was 108.627 billion yuan, up by 31.971 billion yuan from the beginning of the year, a 41.7 percent growth.

The insurance business continued to develop. In 1994, the volume of insured assets in various categories was 126.5 billion yuan, while 23,400 enterprises in the province participated in insurance of enterprise assets, and 5.704 million residential households participated in insurance of family properties, in addition to 13.73228 million people taking out life insurance.

The insurance company participated in handling 139,200 cases of insurance of domestic assets involving indemnities in terms of 669 million yuan, and paid life insurance with dividends to 268,800 persons in terms of 448 million yuan.

8. Science and Technology, Education, Culture, Public Health, and Sports

Science and technological undertakings kept making progress, and 398 projects were awarded with prizes for science and technological results at the provincial level, 318 projects were awarded with prizes for science and technological progress across the province in 1994, and 80 projects were awarded with "Spark" prizes at provincial level. The province handled 2,159 applications for patent rights, and 1,241 cases of patent authorization. Development of new hi-tech industry accelerated. By the end of 1994, there were two new hi-tech development zones at national level and three at provincial level in Henan. The province gained 196 new hi-tech enterprises.

The technological market was brisk. In 1994, 19,148 technological contracts in various categories were signed, involving a transaction volume of 11.068 billion yuan, up by 11.7 and 18.5 percent respectively from the previous year.

Work in science and technological service has been augmented with each passing day. By the end of 1994, there were 68 product quality supervision and testing organizations in the province, with 7,522 professionals to actively unfold the formulation and revision of local criteria. Mapping departments completed surveying and drawing 10,020 maps in various scales, and published 12 maps. Technological service rendered by meteorological and seismic departments continued to make progress working in coordination with the province's national economy and social development.

The contingent of scientists and technicians continued to grow, with increased inputs for expenditure. By the end of 1994, local state-owned enterprises and institutes in the province had 900,000 professionals and technicians in various categories, up by 2.5 percent from the previous year. Expenditure on science and technological activities of science and technological organizations, institutes of tertiary education, and large and medium-sized industrial enterprises was 2.557 billion yuan, up by 28.4 percent from the previous year.

Educational undertakings continued to develop. Regular institutes of tertiary education enrolled 41,700 full-time freshmen in 1994; the number of students on campus was 117,000, and the number of graduates was 18,500. Regular institutes of tertiary education and scientific research institutes enrolled 500 post-graduates; the number of post-graduates on campus was 1,200, and the number of post-graduates finishing their courses was 315. To meet the demand of the qualified people market, results were scored in tertiary educational restructuring, with the proportion of specialities and curricula further optimized. The secondary educational structure became increasingly rational with each passing day. The number of pupils on campus in regular secondary schools and vocational schools on campus was 184,200, up by 20,300 from the previous year. The number of pupils on campus in professional schools was 357,300, up by 96,700 from the previous year; the number of pupils on campus of technical schools was 82,900, and the number of pupils on campus of regular senior middle schools was 425,100. Basic education kept being augmented, and the degree of popularization of obligatory education was elevated. The number of pupils on campus of regular junior middle schools was 3.4502 million, and the number of pupils on campus of primary schools was 9.91006 million. Results were scored in "Project Hope," with the attendance rate of primary school-age

children continuing to grow. In 1994, various circles of society donated 14 million yuan, and built 128 Hope primary schools, providing aid to 28,600 children to return to school. The number of children at kindergarten was 2.1 million, up by 3.7 percent from the previous year. More students were enrolled for adult education. The number of students on campus for adult full-time tertiary education was 133,200, up by 3.7 percent. The number of students on campus of adult secondary and professional schools was 102,200, up by 0.3 percent. The number of students on campus of adult middle and primary schools was 609,100. In 1994, illiteracy was eliminated among 472,000 young and middle-aged people.

Cultural undertakings have prospered with each passing day. By the end of 1994, there were 216 art performing organizations, 201 cultural centers, 132 public libraries, 63 museums, 160 archive establishments, 19 radio broadcasting stations, and 17 television broadcasting stations in Henan, and 109 teleplays in various categories were produced in the year. The radio broadcast populace coverage rate was 89 percent, and the TV broadcast populace coverage was 81 percent. In 1994, 2,489 titles of books in various categories were published, 843 million copies of newspaper were printed in addition to 87.95 million copies of magazines in various categories.

Public health undertakings developed steadily. By the end of 1994, there were 174,500 beds in hospitals across the province, up by 1.3 percent from the previous year; there were 251,300 specialized health workers, up by 3 percent, of whom 105,550 were doctors and 55,300 nurses, up by 3.8 and 5.3 percent respectively. Rural medical and public health conditions were improved.

New headway was made in sports undertakings. In major domestic and overseas competitions in 1994, sportsmen from Henan broke one world record, six Asian records, and two national records. They won 11 world championships, 14 Asian championships, and 46 national championships. Mass sports activities were vigorously unfolded.

9. Population and People's Life

Certain accomplishments were scored in planned parenthood work. In 1994, the province's population birth rate was 15.36 per thousand, its death rate was 6.34 per thousand, and its natural growth rate was 9.02 per thousand. At year end, the province's population was 90.27 million, up by 810,000 over the same period of the previous year.

The incomes of the urban and rural populace increased, with their living standards improved somewhat. Accord-

ing to a sampling survey, the per-capita income of urban residents was 2,398.35 yuan, up by 33.8 percent from the previous year; with the price factor deducted, the actual increase was 5 percent; the per-capita net income of rural residents was 909.81 yuan, up by 30.8 percent, with price factor deducted, the actual growth rate was 3.4 percent. The wage level of workers and staffers rose further. Initial calculations showed that the general wage volume of workers and staffers across the province was 27 billion yuan, up by 34.4 percent from the previous year; with the price factor deducted, the actual increase was 5 percent. The average wage of workers and staffers was 3,460 yuan.

Reform of the labor and personnel system continued to deepen. In 1994, the province made job arrangements for 276,000 urban job-awaiting people. The year-end urban unemployment rate was 2.4 percent. The total of workers and staffers at year end was 7.6 million, up by 190,000 over the same period of the previous year. The number of workers and staffers in state-owned units was 6.09 million, while the number at collective-ownership units was 1.67 million. The number of workers and staffers in the contracted system in state-owned units was 2.04 million, accounting for 33.1 percent of the total of workers and staffers in state-owned units. A market for qualified people has initially taken shape; the number of job agencies at all levels in society was 1,181.

The housing conditions of urban residents further improved. In 1994, an additional floor space of 13.377 million sq m was built for urban housing across the province; and new houses built by peasants covered a floor space of 36.82 million sq m.

Social welfare undertakings made new progress. In 1994, there were 2,387 institutes of social welfare in various categories in the province with 48,900 beds, up by 1.5 percent from the previous year; the number of people under their care was 39,800. The number of people in both urban and rural areas receiving state relief was 1.8912 million, while 76.6 percent of townships and towns have set up rural socialized insurance networks. The coverage of enterprise workers and staffers implementing social pension insurance continued to expand. Urban socialized services network developed relatively fast, with 1,418 communal service installations in various categories set up.

Continuous progress was made in environmental protection. By the end of 1994, 140 environmental monitoring stations, 20 natural protection zones, 150 smoke-control areas, and 82 environmental noise-control areas had been built across the province.

Notes: 1. The figures listed in this communique are initial statistical figures.

2. GDP, increased value, and the gross output value of the various industries in this communique are calculated at current prices and growth rates are calculated in terms of comparable prices.

Hubei 1994 Economic Statistics

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[Communiqué issued by Hubei Provincial Statistics Bureau on 12 February 1995: "Statistical Report Issued by Hubei Provincial Statistics Bureau on National Economic and Social Development in 1994"]

[FBIS Translated Text] In 1994, breakthrough progress was made by Hubei Province in reform, opening up, and the drive for modernization. The people throughout the province conscientiously implemented the "20-character" principle put forth by the central authorities. In light of Hubei's actual conditions, they increased the intensity of reform, opening up, and economic construction, and concentrated their efforts on work fulfillment, so that the national economy presented a good situation in which total demand and supply grew steadily and the relationship between total demand and supply generally struck a balance. According to preliminary statistics, the year's GDP totaled 182.041 billion yuan, up 15.2 percent over the previous year, which was the third-largest growth since reform and opening up. Of this total, primary, secondary, and tertiary industries reached 46.636 billion, 79.44 billion, and 55.965 billion yuan, increasing by 7.8, 21.8, and 12.7 percent respectively. The major problems in economic operations are as follows: Market prices grew by too large a margin; the agricultural foundation is still relatively weak; state-owned enterprises met with relatively numerous difficulties and problems; and the problem of unbalanced economic development and social distribution is relatively conspicuous.

I. Agriculture

After adopting a series of measures to conscientiously implement the guidelines of the central rural work conference, a gratifying situation existed in rural economic development, with the production of grain, cotton, edible oil, pigs, and aquatic products growing in a comprehensive way. The gross agricultural output value in 1994 was 78.684 billion yuan (or 51.248 billion yuan at constant prices), up 9.8 percent over the previous year, which was the second highest since reform and opening up began.

The output of major agricultural products was as follows:

	1994	% increase over 1993
Grain	24,221,000 tonnes	4.1
of which: cereals	22,288,000 tonnes	3.7
Cotton	450,000 tonnes	5.9
Oil-bearing crops	1,377,700 tonnes	23.3
of which: peanut	248,100 tonnes	20.0
rapeseed	980,700 tonnes	25.2
Cured tobacco	58,000 tonnes	-33.3
Tea	35,900 tonnes	5.5
Silkworm cocoon	20,800 tonnes	28.2
Fruits	684,100 tonnes	21.3

The growth rate of forestry production slowed down. In 1994, 342,000 ha of land was afforested across the province, down 5.3 percent over the previous year. However, the afforestation quality was enhanced, the state's key construction projects in forestry made smooth progress, and the work of forest fire protection and pest prevention was further strengthened.

Animal husbandry continued to develop steadily, and the output of meat, poultry, and eggs as well as livestock slaughtered and in stock increased in large numbers.

The major animal products and domestic animals in stock are as follows

	1994	% increase 1993
Meat	2 1394 million tonnes	17.6
of which: beef and mutton	80,300 tonnes	54.4
Pigs slaughtered	25.16 million head	17.3
Pigs in stock at yearend	23.39 million head	8.0
Sheep and goats in stock at yearend	1.851 million head	24.8
Large animals in stock at yearend	3.8564 million head	4.9

Fishery production created a new record once again. In 1994, the output of aquatic products across the province reached 1.269 million tonnes, up 25.3 percent, which has effectively satisfied the demands of urban and rural residents.

The conditions of agricultural production improved to some extent. In 1994, the province's aggregate power of farm machinery reached 11,360,000 kw, up 2.4 percent over the previous year; there were 74,000 large and

medium-sized tractors, down 6.1 percent; 190,000 small tractors, up 11.8 percent; and 14,000 farm trucks, up 6.1 percent; the quantity of chemical fertilizers applied was 2.002 million tonnes, up 9.4 percent over the previous year. However, the agricultural input was seriously inadequate, the phenomenon of arbitrarily occupying farmland was still grave, and the construction of water conservancy facilities lagged behind.

II. Industry and Construction

Secondary industry developed at a high speed throughout the province in 1994, with an added value of 79.44 billion yuan. The margin of increase was as high as 21.8 percent, and the added value accounted for 43.6 percent of GDP. Motivated by investment and market activities, industrial production reached the highest level in 16 years of reform and opening up. In 1994, the total output value fulfilled by industrial enterprises at and above township level across the province was 220.25 billion yuan (or 175.54 billion yuan at constant prices), increasing by 25 percent over the previous year. Among the industrial sectors, the total output value of state-owned enterprises was 141.2 billion yuan, up 10.6 percent; that

of collective enterprises came to 66.67 billion yuan, up 43.1 percent; and that of other enterprises amounted to 12.38 billion yuan, up 170 percent.

The development pace of light industry was expedited noticeably. The total output value of light industrial enterprises at and above township level amounted to 87.06 billion yuan, up 27.9 percent, while that of heavy industrial enterprises came to 133.19 billion yuan, up 22.8 percent. The former was 5.1 percentage points higher than the latter. Affected by changing market demands, the output of major industrial products rose in some categories and declined in others.

The output of major industrial products are as follows:

	1994	% increase over 1993
Yarn	434,100 tonnes	7.8
Cloth	1,609 billion m	0.5 [as published]
Machine-made paper and cardboard	564,000 tonnes	13.5
Sugar	7,700 tonnes	-51.9
Crude salt	1,657,700 tonnes	-2.4
Cigarettes	2,220,700 cartons	2.3
Synthetic detergent	126,900 tonnes	6.4
Television sets	158,800	-22.4
Washing machines	205,500 units	35.0
Refrigerators	11,600 units	38.1
Watches	955,100	-1.6
Bicycles	1,259,400	-25.8
Raw coal	9,724,800 tonnes	13.3
Crude oil	870,100 tonnes	7.4
Electricity	42,867 billion kwh	7.8
of which: hydropower	28,450 billion kwh	12.7
Steel	7,227,700 tonnes	0.2
Rolled steel	6,456,700 tonnes	0.7
Pig iron	6,251,300 tonnes	2.2
Metal-cutting machine	4,990 units	-71.0
10 nonferrous metals	121,800 tonnes	27.0
Cement	15,079,000 tonnes	9.2
Plate glass	2,445,800 crates	23.2
Cars	180,500	-6.6

	1994	% increase over 1993
Soda ash	298,000 tonnes	3.4
Chemical fertilizer	1,766,600 tonnes	12.5
Pesticide	18,700 tonnes	12.7

In 1994, the industrial enterprises' composite index of economic results rose to 102.58 from 94.98 in 1993, but the sales rate of industrial products dropped from 96.5 percent to 94.9 percent. The profit and tax rate on capital rose from 11.12 percent to 11.47 percent; the profit rate on cost and expenditure dropped from 4.88 to 4.86 percent; the velocity of circulating funds slowed down from 1.63 to 1.40 times; and overall labor productivity in terms of value added increased by 43.1 percent. The rate of industrial added value rose from 28.3 percent in 1993 to 32.1 percent. The percentage of loss-making state-owned enterprises was 33.8, which was 1.9 percentage points higher than the previous year, and deficits reached 1.779 billion yuan, up 24.7 percent.

The construction industry showed a good momentum of development. The added value of the state-owned construction industry amounted to 3.81 billion yuan, up 46.5 percent over the previous year. The area of housing construction completed by state-owned construction enterprises was 4.808 million square m, and the per capita labor productivity of state-owned construction enterprises was 39,562 yuan, increasing by 59.6 percent over the previous year. The operations of these enterprises were gradually expanded from pure engagement in construction materials and machine leasing to such areas as communications and transport, real estate, commerce, trade, and so on. But, compared with the same trade in other provinces across the country, the problems including relatively low economic results, declining project quality, and so on were comparatively conspicuous.

III. Investment in Fixed Assets

The fixed-asset investment completed by the entire society during the year totalled 54.82 billion yuan, increasing by 43.1 percent over the previous year; investment in innovation projects totalled 10.13 billion yuan, increasing by 28.2 percent; and investment in real estate totalled 5.87 billion yuan, increasing by 58.6 percent. However, the investment structure of fixed assets was not very rational, the share of agricultural inputs declined, and there were too many projects involving high-grade offices, commercial premises, and entertainment facilities.

In 1994, apart from the investment made by collective and individual economic sectors, completed investment

in primary industry amounted to 650 million yuan, up 27.7 percent over the previous year, with its investment share slightly declining; completed investment in secondary industry amounted to 22.68 billion yuan, up 73 percent, with the investment proportion rising from 42 percent in 1993 to 50 percent, of which the share of energy and raw and semi-finished material industries rose by 4.8 percentage points as compared with the previous year; and completed investment in tertiary industry amounted to 19.82 billion yuan, up 61.6 percent, with the proportion rising from 39.3 percent to 43.6 percent, of which investment in transportation and posts and telecommunications amounted to 8.26 billion yuan, up 51.1 percent over the previous year, with the proportion rising by 1.3 percentage points over 1993.

In 1994, there were 3,617 capital construction, innovation, and newly started projects with an investment amount of 50,000 yuan or more each. Moreover, there were eight large and medium-sized capital construction projects, four single-item large and medium-sized projects, which have been completed and put into production, and one above-norm innovation project. Large key projects that have been completed are: The 300,000-kw generating unit of the Wuhan Yangluo Power Plant; the Wuhan Tianhe Airport; the Dongfeng Automobile Company with a capacity to produce 150,000 trucks a year; the Hubei Chemical Fiber Company with an annual output of 10,000 tonnes of chemical fiber; the Jianghan Oilfield Salt Chemical Plant with an annual output of 300,000 tonnes of crude salt; the 25,200-kw generating unit of the Dizhen Hydropower Plant in Tianlou, Enshi City; the two 300,000-kw generating units of the Qingjiang Geheyuan Hydropower Plant; the Shashi Water Supply Factory with a capacity of supplying 150,000 tonnes of drinking water a day; and so on.

In 1994, the major productive capacity newly increased through capital construction in the entire province included: The mining of 80,000 tonnes of raw coal and 2.5 million tonnes of phosphorus a year; the generating capacity of 940,000 kw of electric power (of which 640,000 kw was hydroelectric power); the production of 290,000 tonnes of cement, 40,000 tonnes of sulphuric acid, and 15,000 tonnes of synthetic ammonia a year; the capacity to supply 270,000 tonnes of water a day; the installation of 130,000 urban telephone lines; 70 km of newly constructed first-class highways; and so on.

IV. Transport, Posts and Telecommunications

Transport and posts and telecommunications made steady advances. The added value realized in the year totalled 8.63 billion yuan, up 9.3 percent over the previous year. A number of large-sized key communication projects were completed and put into operation, transportation conditions continued to improve, and transport volume across society grew steadily, (of which the volume of freight and passenger transport increased by 5.9 and 7.3 percent respectively by rail, 3.8 and 4.7 percent respectively; by highway, but fell somewhat by water). Civil aviation developed rapidly, with the volume of freight and passenger transport increasing by 18.8 and 43.6 percent respectively over the previous year.

New achievements were attained in the development of post and telecommunication undertakings. The total business transactions in the year amounted to 1.92 billion yuan, up 47 percent. Express mail, paging, and mobile phone calls increased by 180, 140, and 300 percent respectively. Long-distance telephone lines extended to 33,000, up 60 percent, and urban and rural telephone subscribers reached 763,000 and 174,000, up 69 percent and 77.6 percent respectively.

V. Domestic Trade and Market Prices

Domestic markets for consumer goods were brisk. In 1994, retail sales of social consumer goods across the province totalled 68.5 billion yuan, up 36.9 percent over the previous year (or an actual increase of 9.2 percent after allowing for price factors). Of this total, sales in cities were 39.34 billion yuan, up 41.9 percent, while those in areas at and below county level came to 29.17 billion yuan, up 30.6 percent. Taken from different economic sectors, retail sales of consumer goods by the public economy amounted to 22.67 billion yuan, down 5.2 percent; the sales volume of the collective sector was 14.37 billion yuan, up 8.1 percent, and the sales volume of other economic sectors totalled 31.46 billion yuan, up 145 percent. The share held by the public, collective, and other economic sectors in retail sales of social consumer goods was 33.1, 21.0, and 45.9 percent respectively. There was an ample supply of commodities in markets, and residents' standards and grades with respect to consumption were further elevated.

The market for the means of production was generally bleak, and the volume of transactions dropped by a comparatively large margin. In 1994, material supply and marketing enterprises across the province purchased 30.65 billion yuan worth of the means of production and sold 34.47 billion yuan worth of them, down 17 percent and 12.5 percent respectively.

The general price level remained high throughout 1994. The price indexes of retail sales as well as residents' social consumer goods increased by 24.6 percent and 25.3 percent respectively over the previous year. In the course of changing track for the market economy, market price increases were inevitable. Although the tolerance of the great majority of residents was somewhat enhanced both economically and psychologically, some low-income families still led a hard life owing to a decline in their real income level.

The percentage of price increases over 1993 was as follows:

1. Consumer prices	25.3
of which: urban areas	27.0
rural areas	24.1
2. Retail prices	24.6
of which: foodstuffs	41.2
grain	60.3
edible oil	61.9
clothing	20.3
household necessities	16.7
cultural, educational, and recreational articles	11.6
books, papers, and magazines	29.6
Chinese and Western medicine	12.1
construction and decoration materials	11.4
fuels	10.1
3. Service items	18.7
of which: urban areas	16.9
rural areas	19.4
4. Factory prices of industrial products	26.2
5. Prices of agricultural means of production	22.4
6. Purchase prices of agricultural products	47.2

VI. Foreign Economic Relations

Reform of the foreign exchange and foreign trade structures progressed smoothly, and foreign trade developed with vigor and vitality. In 1994, the total volume of imports and exports reached \$2.85 billion, up 11.9 percent over the previous year. Of this total, the volume of exports was \$2.1 billion, up 24.4 percent and that of imports was \$750 million, down 12.8 percent.

In an effort to develop an export-oriented economy, the provincial party committee and government took a series of measures in terms of organization, leadership, investment environment, incentive policies, and so on, to continue soliciting business and importing capital from abroad during the year. A total of 1,418 foreign-invested enterprises were newly approved, and the actual amount of direct foreign investment reached \$602 million, up 13.2 percent over the previous year.

Good results were scored in international tourism, and 201,000 tourists visited the province during the year, a decrease of 13 percent over 1993, but tourists spent more money during their travels in the province, with \$54.12 million in foreign exchange created, up 18 percent over the previous year.

VII. Finance

In 1994, the financial department intensified macroeconomic regulation and control over the extension of credit, vigorously organized deposits, and readjusted the loan structure to ensure rational fund requirements for the state's key construction projects, industrial and agricultural production, and procurement of agricultural and sideline products, thereby energetically supporting the sustained, rapid, and healthy national economic development of the province. By the end of 1994, the balance of various bank deposits totalled 104.38 billion yuan, up 30.7 percent compared with the end of 1993. Of which, the balance of enterprise deposits totalled 44.52 billion yuan, increasing by 17.63 billion yuan as compared with the end of 1993. The balance of various kinds of bank loans totalled 139.68 billion yuan, increasing by 23.42 billion yuan or 20.2 percent as compared with the end of the previous year. Of which, short-term and long-term loans amounted to 103.92 billion and 32.80 billion yuan, increasing by 23.7 and 43 percent respectively.

VIII. Science, Education, Culture, Public Health, and Sports

In 1994, the provincial party committee and government approved a program for implementing a plan to invigorate Hubei on the strength of scientific and technological advances, and vigorously stepped up transforming scientific and technological achievements, thus furthering the development of scientific and technological undertakings. During the year, 571 items of major scientific

and technological achievements at provincial or ministerial level were attained, among them were 32 projects under the state plan, 179 projects under the provincial or ministerial plan, and 360 projects outside the plan. The overall as well as single-item levels of the scientific and technological achievements were somewhat higher than the previous year, as 64 items reached international advanced level, six items reached international leading level, 255 items reached domestic advanced level, and 252 items reached domestic leading level. In 1994, 281 scientific and technological achievements were utilized, and the utilization rate was 77 percent, 8.1 percentage points higher than the previous year. A total of 7,316 technology contracts were signed in various technology markets throughout the province in 1994, and the amount of transactions reached 1.15 billion yuan.

New achievements were scored in education, with the scope of ordinary tertiary education expanding continuously. In 1994, 4,063 students pursued their postgraduate courses in the province, 863 students more than the previous year. Enrolled postgraduates during the year numbered 9,837, increasing by 2,048 people. Ordinary universities and colleges took in 53,000 students, decreasing by 1,610, and the total number of students enrolled in ordinary tertiary institutions was 170,000, increasing by 14,000. The secondary technical and vocational education continued to develop. Enrolled students in various kinds of secondary technical and vocational schools totalled 237,000 in 1994, increasing by 33,000 over the previous year.

Basic education made further progress. In 1994, the numbers of enrolled students in junior high schools and pupils in primary schools were 2.04 million and 6.46 million respectively, the enrollment rate of school-age children was 99.1 percent, with 85.4 percent of them continuing their studies in secondary schools, and the dropout rates for ordinary junior high school students and primary school pupils were 6.8 and 1.8 percent respectively.

More people received adult education, and there was gratifying progress in technical training of various types. In 1994, tertiary institutions for adults took in 71,000 students, up 35.7 percent over the previous year, and the number of enrolled students totaled 166,000, up 35.8 percent. There were 139,000 enrolled students in adult secondary technical schools in 1994, increasing by 27,000 over the previous year; adult technical training schools recruited 185,000; adult students and pupils totalled 212,000; and illiteracy was eliminated among 186,000 people during the year.

Cultural and public health undertakings continued to thrive. By the end of 1994, there were 104 artistic per-

formance groups, 181 cultural galleries, 101 public libraries, 82 museums, 134 archives, 69 broadcasting stations, 34 medium and short-wave radio transmitting and relaying stations, 53 television stations, 50 television transmitting and relaying stations with a capacity of 1 kw or above for each, and 6,243 film projection units of various kinds. By the end of 1994, there were 135,000 beds in hospitals and 225,000 professional medical and public health personnel across the province, of whom 64,000 were senior nurses or nurses.

Sports undertaking also flourished, and mass athletic activities were conducted in depth. In major international competitions in 1994, three athletes (teams) broke world records on six occasions. The "National Standards for Physical Training" were universally practiced in various schools, which effectively enhanced the physical quality of adolescents and solidified Hubei's leading position in physical culture in the country.

IX. Population and Living Standards

In 1994, the province's birthrate was 18.17 per thousand, the death rate was 6.68 per thousand, and the natural population growth rate was 11.49 per thousand. By the end of 1994, the total population of the province was 57.188 million, 653,300 people more than the previous year.

Residents' income increased steadily, and the people's lives continued to improve. In 1994, the per-capita income of urban residents used as living expenses was 3,006 yuan, up 37.2 percent over the previous year, and the actual growth was 9.5 percent after allowing for price factors. The per-capita net income of rural residents was 1,170 yuan, up 49.4 percent, and the actual growth was 6.3 percent after allowing for price factors. However, the income gaps between regions and between cities and rural areas were widened, and the actual living standards of some low-income families declined.

The pace of labor reform was accelerated, and the labor and employment service system further improved. In 1994, the number of employment agencies at various levels grew to 1,231. During the year, 213,000 people were assigned jobs in cities and towns, and the unemployment rate was 2.6 percent. By the end of the year, the number of staff and workers throughout the province was 7.449 million, 112,000 more than the end of 1993. Their wage level was further raised, and the gross payroll of staff and workers was 29.01 billion yuan in the year, and their average wages were 3,921 yuan, up 29.2 and 26.4 percent respectively over the previous year.

Social welfare undertakings developed repeatedly. In 1994, there were 61,000 beds in various kinds of social welfare centers, with 51,000 occupants. A total of 1,222

million people in cities and villages received various kinds of social relief from the state, (excluding relief given due to natural disasters). Urban social service networks developed quite rapidly, 7,124 community service facilities of various kinds were established, and 47.4 percent of townships and towns have already set up social insurance networks.

Environmental protection work was increasingly heeded by the entire society. By the end of 1994, there were 4,267 people working in departments in charge of environmental protection, 18 nature preserves, 95 soot-control zones covering an area of 582.7 square km, and 117 noise-controlled zones covering an area of 316.9 square km.

Note: The absolute figures for GDP, the added value of various industries, and the targets of gross output value are calculated at current prices, while growth rates are calculated at comparable prices.

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[FBIS Translated Text] Under the leadership of the provincial party committee and provincial government, in 1994, the people of Hunan thoroughly implemented the CPC Central Committee's principle of "seizing the opportunity, deepening reform, expanding the degree of opening up, promoting developing, and maintaining stability" and quickened the pace of reform and opening up and economic development during the transition to a market economy. The national economy grew speedily and in a sustained way and new achievements were made in various social undertakings. According to statistics, the gross domestic product for the whole year came to 169.4 billion yuan or an increase of 11 percent over the previous year in terms of comparable prices. Primary industry generated an increased value of 53.3 billion yuan, up 5.2 percent. Secondary industry had an increased value of 61.7 billion yuan, up 16.1 percent. Tertiary industry had an increased value of 54.4 billion yuan, up 10.8 percent. The three readjustments of the industrial structure developed well. The ratio of primary, secondary, and tertiary industries changed from 30 percent: 38.3 percent: 31.7 percent in the previous year to 31.5 percent: 36.4 percent: 32.1 percent. The main problems in economic and social development were: Commodity prices were escalating and inflation was noticeable. Some state-owned enterprises had great

difficulty in production and management. Public order has yet to be strengthened and improved.

I. Agriculture

Despite the comparatively big natural disasters, there was a bumper agricultural harvest. In 1994, the province

had a total agricultural output value of 83.816 billion yuan, up 7.8 percent over the previous year. The output of major farm products mostly increased. The per-unit yield of grain and oil-bearing crops reached historical high levels.

The output of major farm products was as follows:

	Year 1994	Increase over previous year (%)
Grain	26 6694 million tonnes	1.4
of which: cereals	25 1031 million tonnes	0.9
Cotton	238,100 tonnes	13.0
Oil-bearing crops	979,600 tonnes	23.8
of which: rapeseed	776,200 tonnes	25.5
Cured tobacco	100,600 tonnes	-47.9
Silkworm cocoons	3,700 tonnes	0.8
Tea leaves	67,300 tonnes	-7.6
Fruits	807,500 tonnes	-8.9
of which: oranges	69,900 tonnes	-6.6

Forestry production developed steadily. In 1994, a total of 134,400 square hectares of trees were planted, down 51.7 [as published] from the previous year, and 192 million more trees were planted in scattered places. The rate of forest coverage continuously increased. Of the main forest products, the output of tea-oil seed came to 253,700 tonnes, up 39.9 percent over the previous year; that of raw lacquer was 30,392 kg, down 2.7 percent;

and that of tung seed was 45,900 tonnes, down 13.7 percent.

Animal husbandry and aquatic farming developed considerably. The total output value of animal husbandry for the whole year came to 27.585 billion yuan, up 14.7 percent over the previous year.

Following was the output or number of major livestock:

	Year 1994	Increase over previous year (%)
Pork, beef, mutton	2 7239 million tonnes	14.7
of which: pork	2 6709 million tonnes	12.5
Slaughtered pigs	41 3579 million heads	13.4
Pigs in stock (year-end figure)	31 7180 million heads	5.2
Large animals (year-end figure)	422,430 heads	1.4

The output of aquatic products for the year was 741,400 tonnes, up 8.9 percent over the previous year.

New developments were made in the cultivation of special livestock and poultry. The output of bullocks,

meat pigeons, yellow eels, turtles, black goats, quails, and pheasants increased.

On the basis of speedy growth in the previous two years, township and town enterprises continued to maintain the fairly quick growth rate. According to the Township and Town Enterprise Administration's preliminary statistics, in 1994, township and town enterprises across the province generated a total output value of 120 billion yuan, up 45.3 percent over the previous year; achieved turnover of 128.4 billion yuan; achieved 7.7 billion yuan in profits and taxes, up 13.5 percent; and turned over to the state 4.42 billion yuan in taxes, up 84 percent.

New readjustments were made in the rural economic structure during its development. Secondary and tertiary industries in rural areas continued to develop quickly and account for a higher proportion. In 1994, the total output value of the rural community in the province came to 199.067 billion yuan, up 26.8 percent over the previous year, of which non-farming output value was 115.251 billion yuan, up 42.3 percent.

Of the non-farming output value, rural industries, the construction industry, transportation, the wholesale and retail trade, and the catering trade accounted for 75.602 billion yuan, 15.275 billion yuan, 11.414 billion yuan, and 12.959 billion yuan respectively, representing respective increases of 43.3 percent, 33.2 percent, 66.6 percent, and 19.4 percent. The internal structure of crop farming was further readjusted. In 1994, the sown area of quality paddy totalled 609,000 hectares, up 20 percent over the previous year. [sentence as published] The quality of farm products was generally upgraded. Preliminary successes were made in the reclamation of mounds and hills.

Conditions for agricultural production improved. At the end of 1994, farming machines in the province had a total engine power of 14.5907 million kw, up 6.2 percent over the previous year, of which the power of irrigation

and drainage engines was 3.7279 million kw, up 1.7 percent over the previous year; electricity consumed in rural areas totaled 3.304 billion kwh, up 8.5 percent; and (net) chemical fertilizer used totalled 1.5941 million tonnes, up 7.6 percent.

The main problems existing in the development of the rural economy are: The comprehensive quality of township and town enterprises has yet to be improved. Agricultural investment is low and agricultural development lacks stamina.

II. Industry and the Construction Industry

Industrial production increased steadily and the production of heavy industry continued to maintain a certain general level, though its growth rate decreased a little. The development of light industry quickened. Some industries which have developed slowly for a long time began to pick up. All forms of ownership grew. State-owned industries began to change for the better. In 1994, the province's total industrial output value was 192.421 billion yuan, up 20.9 percent over the previous year. Industrial output value at and above the township level was 135.575 billion yuan, up 14 percent, of which the output value of heavy industry was 84.457 billion yuan, up 12.4 percent, and that of light industry was 51.118 billion yuan, up 17.1 percent. Industrial output value at and below the village level was 56.846 billion yuan, up 42.1 percent. The increased output value of industries with independent accounting above the township level was 33.246 billion yuan, up 20.7 percent. The sales output value of industrial enterprises above the township level was 99.219 billion yuan, up 11.5 percent. Of the total industrial sales output value, state-owned industries accounted for 60.269 billion yuan, up 2.5 percent; and collective industries accounted for 33.523 billion yuan, up 19.7 billion, of which township-run industries accounted for 20.081 billion yuan, up 32.6 percent.

Output of major industrial products:

	Year 1994	Increase over previous year (%)
Television sets	333,000	1.4
Household refrigerators	251,700	-21.7
Yarn	150,800 tonnes	8.0
Cloth	494 million meters	7.3
Cigarettes	2.5339 million cases	3.9
Crude coal	49.992 million tonnes	12.5

	Year 1994	Increase over previous year (%)
Electricity	28.826 billion kilowatt-hours	7.1
Steel	2.1522 million tonnes	-2.6
Steel products	1.7266 million tonnes	-3.2
10 kinds of nonferrous metals	392,200 tonnes	14.8
Sulphuric acid	812,500 tonnes	16.1
Sodium carbonate	99,700 tonnes	7.7
Caustic soda	137,400 tonnes	-5.0
Chemical fertilizers	1.3516 million tonnes	12.5
Chemical pesticides	26,600 tonnes	26.1
Cement	19.6603 million tonnes	13.6
Plate glass	4.7319 million cases	13.0
Metal-cutting machine tools	2,143 sets	-38.9

Industrial production and sales were fairly well balanced. The sales rate of industrial products for the whole year was 94.9 percent.

Remarkable achievements were scored in the development of new products. A total of 761 new products were developed for the whole year with an output value of 717 million yuan, and their increased profits and taxes amounted to 64 million yuan.

The comprehensive index of the economic efficiency of financially independent industrial enterprises was 86.56 percent, the all-personnel labor productivity (calculated by the increased value) was 9,255.1 yuan/person, the rate of profits and taxes yielded by funds [return on capital] was 11.2 percent, and the utilization rate of costs and expenses was 2.64 percent.

Industry made some progress to curb losses and increase profits. Profit-making enterprises earned 5.809 billion yuan in profits. Of the financially independently industrial enterprises across the province 22.7 percent were making losses.

The major problems in industry were: Economic operation was rather unsMOOTH. Some state-owned industrial enterprises encountered rather big difficulties. Their structural readjustment proceeded slowly. They had insufficient strength for industrial growth.

The production and operation of the construction industry improved. In 1994, the construction industry had an increased value of 9.218 billion yuan, up 11.7 percent over the previous year. Throughout the year, state-owned construction enterprises achieved a total output value of 7.995 billion yuan, up 47.4 percent. Their all-

personnel productivity was 38,400 yuan, up 41.1 percent. Housing under construction had a total area of 10.138 million square meters, up 16.8 percent; and housing completed had a total area of 3.395 million square meters, up 1.5 percent.

III. Investment in Fixed Assets

The scale of investment in fixed assets was kept under control. In 1994, a total of 40.1 billion yuan was invested in fixed assets, up 25.1 percent over the previous year, although the growth rate decreased by 12.1 percentage points, representing an actual increase of 11.7 percent if the price factor is taken into consideration.

Throughout the year, there were 3,907 new capital construction and technological transformation projects, down 13 percent from the previous year. Of the total investment in fixed assets, investment in state-owned units came to 26.7 billion yuan, up 31.2 percent over the previous year; that in collective units was 4.8 billion yuan, up 6 percent; and individual investments in urban and rural areas came to 8.6 billion yuan, up 52.6 percent. Of the investment in state-owned units, investment in capital construction was 16.4 billion yuan, up 33.5 percent over the previous year; that in project regeneration and transformation was 7.35 billion yuan, up 19.1 percent; and that in real estate development was 2.63 billion yuan, up 73.8 percent. Judging from the relationship between the center and the local authorities, investment in central projects amounted to 10.2 billion yuan, up 30.8 percent; that in local projects was 16.4 billion yuan, up 25.9 percent; and that in other projects was 100 million yuan. The investment structure was further readjusted. Investment

in primary industry accounted for 150 million yuan, representing a share of 0.55 percent or an increase of 0.03 percentage points over the previous year. Investment in secondary industry accounted for 12.15 billion yuan and its share rose from 42.2 percent in the previous year to 45.5 percent, of which investment in energy industries came to 5.66 billion yuan, up 72 percent over the previous year, and its share of total investment rose from 16.8 percent in the previous year to 21.2 percent. Investment in tertiary industry was 14.39 billion yuan, up 18.7 percent, and its share was 54 percent, representing a decrease of 3.3 percentage points from the previous year. Of the investment in tertiary industry, that made in communications, transportation, warehouses, and telecommunications was 5.39 billion yuan, up 24.7 percent. Of the investment in state-owned units, investment in housing was 4.89 billion yuan, up 28 percent.

Key development projects developed smoothly and the rate of capital procured increased over the previous year. Throughout the year, total investment in large and medium-sized capital construction projects came to 5.88 billion yuan, up 47.5 percent over the previous year or surpassing the planned target by 17.8 percent. Of these projects, five have been completed and put into operation and three were partially completed and put into operation. The key projects completed and put into operation fully and partially in 1994 were:

1) The key projects fully completed and put into use were: The technological transformation project for Zhuzhou Power Plant, the second-grade civilian airport at Zhang Jiajie, the first-phase dredging project for third-class waterway of the Xiang Jiang.

2) The key projects partially completed and put into use were: State Expressway 320 from Liantang to Yijiawan [5571 2496 0361 6424] and State Expressway 319 from Changsha to Yongzhou [7022 3057 0361 6424], the "165" Post and Telecommunications project, the Hydropower Station at Wuqiangxi, as well as Xianggang's high-speed wire mill and related projects.

State-owned units across the province had 12.7 billion yuan in newly increased fixed assets. Through capital construction or regeneration and transformation, the state-owned economy saw the following major newly increased production capacity and efficiency: The capacity of electricity generating units was 600,000 kw, the daily supply capacity of running water was 140,000 tonnes, plate glass totaled 3.5 million cases, the total capacity of power-conversion equipment above 110,000 volts was 350,000 kilovolt-amperes. The capacity of automatic telephone switchboard was 732,000 and there were 143 km of new (and rebuilt) highways.

The main problem in fixed asset investment is unsatisfactory returns on investment.

IV. Transport, Post, and Telecommunications

Communications and transportation services developed fairly considerably. In 1994, the communications and transportation sector achieved an increased value of 8.949 billion, up 9 percent over the previous year. In the whole year, 30 new flights were added, 307 km of new highways were added, of which 59 km were specially built for automobile use. Seventeen passenger train services were added. The total volume of goods transported in the year was 100.553 billion tonne-kilometers, up 5.6 percent over the previous year. The total volume of passenger transported was 54.285 billion person-kilometers, up 10.7 percent.

Post and telecommunications service developed rapidly with business transactions totalling 2.15 billion for the whole year, up 67.9 percent over the previous year. Some 227.824 million long-distance calls [as published] were made, up 88.5 percent; some 8.87 million telexes were sent, up 76.8 percent; 360.043 million pieces of mail were processed, up 27.1 percent; and 13.955 million copies of newspapers and periodicals were sent, down 15.6 percent. The number of long-distance automatic telephone switchboards increased by 85.3 percent over the previous year. Long-distance business circuits increased by 52 percent over the previous year. The number of urban telephone users rose by 76.6 percent over the previous year and rural telephone users rose by 70.1 percent over the previous year. The number of mobile telephones increased by 258.6 percent over the previous year and the number of radio pagers rose by 146 percent over the previous year. All counties (cities and prefectures) have established international direct dialling and domestic long-distance telephone services.

V. Domestic Business and Market Prices

The domestic retail market of consumer goods was stable and brisk. In 1994, the total retail sales of consumer goods in society was 63.564 billion yuan, up 33.5 percent over the previous year or an actual increase of 7.2 percent if the price factor is taken into consideration. Of the total retail sales of consumer goods, retail sales of state-owned units were 18.302 billion yuan, up 7.8 percent; those of the collective units were 10.731 billion yuan, up 9.5 percent; and private and individual units were 21.201 billion, up 75.6 percent.

Retail sales from peasants to nonfarming residents were 12.171 billion yuan, up 36.8 percent. The retail sales of other economic sectors were 1.159 billion yuan, up 53.7 percent. Of the total retail sales of consumer goods in

society, sales by state-owned units accounted for 28.8 percent, those by collective units 16.9 percent, and those by private and individual units 33.4 percent, those from peasants to nonfarming residents 19.1 percent, and those by other economic sectors 1.8 percent. Judging urban and rural areas separately, retail sales of consumer goods in urban areas were 30.945 billion yuan, up 34.8 percent; those in county-level cities were 12.934 billion yuan, up 32.1 percent; and those in rural areas were 19.685 billion yuan, up 32.5 percent.

Purchase and sales on the market of the means of production were normal. In 1994, goods supply and marketing enterprises across the province procured 12.758 billion yuan of the means of production, down 26.5 percent from the previous year, and total sales were 13.937 billion yuan, down 26.6 percent.

Sales volumes of major goods:

	Year 1994	Increase or Decrease Compared With Previous Year (%)
Pig iron	91,400 tonnes	-39.1
Steel products	1.6945 million tonnes	-24.5
Copper	6,102 tonnes	-64.6
Aluminum	4,296 tonnes	-55.7
Lead	4,187 tonnes	-65.7
Zinc	8,875 tonnes	-59.0
Sodium carbonate	38,541 tonnes	-24.6
Caustic soda	16,528 tonnes	-3.2
Rubber	23,475 tonnes	-7.3

There was a fairly high rise in commodity prices. The general level of retail prices across the province rose by 24.5 percent over the previous year. Prices rose by 21.7 percent in urban areas and by 26.5 percent in rural areas. The general level of consumer prices was 25.3 percent, of which the general level of service prices rose by 25.5 percent.

Changes in the retail prices of some commodities were as follows:

	Increase Over Previous Year (%)
Food	40.8
of which: Grain	62.0
Edible vegetable oils	62.4
Drinks, cigarettes, liquors	11.9
Clothing and shoes	21.4

	Increase Over Previous Year (%)
Textiles	15.7
Medicine and medical goods	6.6
Cultural and sports goods	10.9
Articles for daily use	15.4
Fuels	12.8
Construction and decoration materials	17.1
Means of agricultural production	18.6

Prices on the market of the means of production rose steadily. The general level of procurement prices for raw materials, fuels, and energy rose by 19.6 percent; the general level of ex-factory prices of industrial products rose by 17.6 percent; the general level of fixed-asset investment prices rose by 13.5 percent; and the general

level of the purchasing prices of agricultural and sideline products rose by 44.1 percent.

The major problems in the domestic market are: Fake and shoddy products are still found and price control has yet to be strengthened.

VI. Foreign Trade

New breakthroughs were made in foreign trade. The reform of the foreign exchange structure was continuously deepened, giving incentive to foreign-trade and export enterprises. Earnings from exports increased. In 1994, the province's total imports and exports came to \$2.63 billion, up 12 percent over the previous year; of which exports were \$1.902 billion, up 18 percent, and imports were \$728 million yuan, down 1.1 percent. Of the total exports, the export volume of industrial finished products amounted to \$1.56 billion, up 19.6 percent; exports of primary products were \$342 million, up 11 percent. Foreign-invested enterprises' exports came to \$142 million, representing 7.5 percent of total exports.

The utilization of foreign capital decreased. In 1994, there were 839 newly approved foreign-invested projects, a decrease of 652 projects from the previous year, with contract amounts totalling \$780 million and \$420 million of foreign capital actually used, representing decreases of 36.9 percent and 40.2 percent respectively. At the end of 1994, there were 2,966 registered foreign-invested enterprises in the province, an increase of 681 enterprises over the end of the previous year, of which 463 were solely foreign-funded, an increase of 159 enterprises; 2,256 were Sino-foreign joint ventures, an increase of 461 joint ventures; and 247 were Sino-foreign cooperative enterprises, an increase of 61.

New progress was made in technology exchange. In 1994, new project contracts and labor service and cooperation contracts with other countries amounted to \$86.1 million, up 41 percent over the previous year.

Some achievements were scored in tourism. In 1994, the province received a total of 142,000 people including foreigners, overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan who came to sight-see, visit friends and relatives, or conduct various exchange activities, representing a decrease of 5.3 percent from the previous year. Of the tourists, 37,400 were foreigners, up 8.1 percent, while 103,200 were compatriots from Hong Kong, Macao, and Taiwan, down 9.6 percent. Revenue from international tourism amounted to \$45 million, up 49.2 percent. In 1994, the province received 18 million domestic tourists, up 9.1 percent over the previous year, and revenue from domestic tourism came to 270 million yuan, up 63.6 percent.

VII. Science and Technology

In 1994, new progress was made in science and technology. Scientific research institutions and scientific research personnel developed steadily. At the end of the year, the province had 172 financially independent natural science research institutions, two research institutions of humanities and social science, and 13 institutions of science and technology and literature. State-owned units across the province had 999,000 technical personnel of various special expertise, of whom 788,200 were technical personnel in the natural sciences. A total of 1,270 scientific and technological personnel in the province were entitled to special government allowances, of whom 53 experts had made outstanding contributions.

All scientific research projects were successfully launched and scientific and technological results were fairly noticeable. In 1994, 1,100 scientific and technological results were scored, of which 329 received Provincial Scientific and Technological Advance Awards. In the whole year, arrangements were made for a total of 130 key scientific and technological projects and over 95 percent of them were implemented. Arrangements were made for 83 "Torch" projects and 95 percent of them were carried out; and they achieved an output value of 1.01 billion yuan and made 250 million yuan in profits and taxes in 1994. Arrangements were made for 31 "Giant Dragon" projects and over 95 percent of them were carried out, adding an increased output value of 1.829 billion yuan and making 307 million yuan in profits and taxes. Arrangements were made for 113 "Spark" projects and 100 percent of them were carried out, adding an increased output value of 403 million yuan and making 114 million in profits and taxes.

Patented items decreased. In 1994, 2,930 patent applications were processed and 1,690 of them were approved, representing decreases of 7.7 percent and 38.9 percent respectively.

New breakthroughs were made in the development of high and new-technology industries. By the end of the 1994, 539 enterprises had entered the high and new-technology development area. They launched 788 projects and achieved a total integrated technology-industry-trade income of 1.769 billion yuan, an total high- technology output value of 1.762 billion yuan, and achieved 270 million yuan in profits and taxes, representing increases of 58.2 percent, 80.6 percent, and 60.4 percent over the previous year respectively.

New developments were made in geological work. Through participating in social competition and opening up the geological market, the province discovered

five important mineral sites, submitted reports on the reserves of nine major minerals including gold, silver, and copper as well as 101 geological reports of all types. In 1994, geological departments completed work totalling 346 million yuan in money terms, up 15 percent over the previous year. Survey departments completed 175,600 work days of surveying work, the work load conducted by surveying amounted to 82,187 million yuan in output value. State first-class surveys were conducted on 696 square km. There were 231 global satellite fixed survey points. There were 2,219 maps of topographic field-work control, drawings, and surveys. A total of 1,453 interior-work maps and 339 maps were made. They supplied 8,318 topographic maps of varying scales to economic departments.

Meteorological departments' service ability increased greatly and made an outstanding contribution to the prevention of and resistance to natural disasters. Seismological and hydrographic departments supplied a lot of valuable information and data to economic departments, rendered a painstaking service, and obtained fairly good social and economic efficiency.

VIII. Education, Culture, Public Health, and Sports

New strides were made in education during the deepening of reform and new results were scored in structural readjustment. In 1994, the province had 51 ordinary institutions of higher learning, which admitted 1,209 new graduate students and 39,081 new undergraduates. There were 630 graduate students completing their programs, 26,400 undergraduates pursuing general and specialized studies, 2,864 graduate students pursuing their studies, and 123,100 undergraduates pursuing general and specialized studies. Secondary education developed quickly and its structure was further improved. Compulsory primary and junior secondary education continuously developed. In 1994, there were 154,400 students in secondary technical schools in the province, up 19.8 percent over the previous year, and 182,700 students in vocational secondary schools, up 12.5 percent. The number of students admitted by and studying in vocational schools already accounted for more than 50 percent of the total number of students admitted by and studying in secondary schools. There were 3.03 million students in ordinary secondary schools in the province, of whom 2.6535 million were receiving compulsory junior secondary education, up 24.4 percent over the previous year. There were 7.1535 million students receiving compulsory primary education in the province, up 2.6 percent. Seventeen counties, cities, and prefectures in the province basically offered nine-year compulsory education and basically eliminated illiteracy among youths and adults. In the province, some 97.5 percent

of school-age children went to school, and 87.1 percent of students graduating from primary schools went on to secondary schools, up 3.5 percentage points over the previous year. The drop-out rates of secondary school students and primary school students were 7 percent and 1.6 percent, down from the previous year. There were 1.279 million children in kindergartens in the province, up 5 percent.

Adult education further developed, which trained a large number of skilled personnel of all kinds suited to the development of the market economy. In 1994, there were 132,100 adult undergraduates pursuing general and technical studies in institutions of higher learning, up 35.3 percent; 150,800 adult students in ordinary and technical secondary schools, a small decrease from the previous year. In 1994, some 24,300 adult students obtained diplomas and degrees from institutions of higher learning, up 8.9 percent over the previous year. Some 205,600 people in the province became literate. But there was still some disparities in the scale and pace of education between the province and the national average.

On the basis of rectification, new developments were made in culture, the press, and the publication industry. At the end of 1994, there were 80 artistic and performing troupes of all types, 122 cultural centers, 54 museums, 116 public libraries, 192 archives, 10 radio broadcast stations, 28 medium- and short-wave transmission and relay stations, and 40 1,000-kw television transmission and relay stations. Some 86.9 percent of the province was covered by television broadcasts. In 1994, eight feature films were made, and 156 new films of all types were distributed, of which 121.5 films were Chinese-produced. The film "Phoenix Harp" won the Best Film Award at the 14th Chinese Film "Golden Rooster" awards and the Best Story Award at the 17th Dazhong Film "Flowers" awards. In 1994, the province published 59 types of newspapers, 190 types of magazines, and 2,242 types of books, with 951 million copies printed. Forty types of books won national awards.

The management of the press and publication market was further strengthened. Regarding the crackdown on pornographic and illegal publications, operations were quick, measures were effective, and results were remarkable. In 1994, 55 internal newspapers were ordered to stop publication, 42 illegal newspapers were punished, 991,400 copies of illegal books and video and cassette tapes were seized and banned.

Further developments were made in public health. At the end of 1994, hospitals in the province had 134,200 beds, down 1.7 percentage points from the previous year, and 189,800 specialized health care

workers, up 3.5 percent over the previous year. Of them, 62,800 were medical practitioners, up 2.5 percent, and 47,400 nursing workers and nurses, up 4.4 percent. New progress was made in the prevention and cure of diseases. In the Immunity Day activity in 1994, some 3.3 million children below the age of four were vaccinated against polio, which means that 100 percent of them were vaccinated. The conditions of township and town clinics in rural areas further improved. The emergency departments of 453 township and town clinics across the province were transformed and clinics in 100 impoverished counties received key support in their construction. Fairly great progress was made in the provision of water and in the improvement of latrines.

Gratifying achievements were scored in sport. In 1994, in official sports games at home and abroad, the province took 45 championships, of which eight were world championships, 11 were Asian championships, and 24 were national championships. Four athletes broke six world records six times. At the 12th Asian Games in Hiroshima, athletes from Hunan won eight gold medals. At the Sixth Far-East and South Pacific Games for the Disabled, 41 disabled athletes from Hunan won 89 medals, of which 39 were golds. In the number of participating athletes, the total number of awards, and in the number of records broken, Hunan ranked first in the country.

Mass sports activities developed vigorously. The "Health for All Program" was officially implemented. Thirty percent of the province's total population regularly took part in mass sports activities. Some 96.1 percent of schools carried out the "National Sports and Training Standards" and 95.8 percent of them reached the standards.

IX. Population and the People's Lives

Remarkable achievements were made in birth control. According to a sample survey, the province's birth control rate in 1994 was 86.76 percent, up 4.42 percentage points over the previous year; the province's birth rate was 13.88 per thousand, mortality rate was 7.03 per thousand, and the natural growth rate was 6.85 per thousand. Deduced from this, at the end of the year, the province had a total population of 63.55 million, a net increase of 440,000 persons over the previous year.

The people's lives further improved. With the price index taken into consideration, urban and rural residents' income increased. At the end of 1994, there were 5.98 million staff and workers across the province, up 1.6 percent over the previous year, and the number of personnel employed by private enterprises and individual laborers in cities and towns was 1.0651 million, up 460,900 million over the previous year. The average liv-

ing expenditure income of urban residents was 3,365.47 yuan, up 37.7 percent over the previous year, or an actual growth rate of 10.3 percent if the price factor is taken into consideration. The total wages of staff and workers in the province came to 23.2 billion yuan, up 27.6 percent. The average annual wages of staff and workers was 3,950 yuan, up 25.7 percent. But income was very imbalanced between different sectors and different trades or occupations. The residents' income gap continued to widen. Some residents are leading a rather difficult life.

In 1994, peasants' income increased considerably, leading to an improvement in peasants' lives. Peasants' per-capita net income reached 1,155 yuan for the year, an net increase of 303 yuan over the previous year, or an actual increase of 5.1 percent if the price increase factor is taken into consideration. As income increased, so peasants' living expenditure income increased. In 1994, peasants' per-capita living expenses were 1,089 yuan, up 272 yuan over the previous year, of which expenses on food, clothing, housing, and daily consumption increased by 33.5 percent, 34.9 percent, 37.5 percent, and 25.6 percent.

The housing conditions of urban and rural residents improved. In 1994, the per-capita residential areas of urban and rural residents were 8.65 square meters and 24.2 square meters. Housing quality improved obviously. Urban housing equipment became increasingly complete. The brick-and-wood structure and steel-and-concrete area of rural housing already accounted for 90 percent of the per-capita residential area.

Urban and rural residents' savings steadily increased. At the end of 1994, urban and rural residents' savings deposits came to 74.836 billion yuan, up 43.65 percent over the beginning of the year.

In 1994, new achievements were made in social insurance services. Domestic business insurance benefits pledged by the province came to 129.454 billion yuan (including those pledged by the Renmin Insurance Company, Pingan Insurance Company, and Taipingyang Insurance Company). Insurance benefits pledged to foreign businesses amounted to 58.761 billion yuan. In the whole year, the province processed 337,200 property claims and reimbursed 899 million yuan in insurance benefits.

Civil administration and welfare organs actively resolved social problems. At the end of 1994, social welfare homes across the province had 35,100 beds available for the needy with 26,400 occupants. Civil administrative organs aided some 3.4308 million people. The relief aid to disaster-stricken, hard-up, and poverty-stricken households amounted to 130 million yuan.

At the end of 1994, there were 4,415 environmental protection staff and workers in the province, up 5.1 percent over the previous year. There were 131 environmental protection observation stations across the province, 28 nature reserves at and above the provincial level, of which nine were at the national level. In 1994, the province completed 283 environmental improvement projects and set up 92 smoke-and-ash control areas. But restricted by the province's resource-extracting industrial structure, technological expertise, and the lack of funds for environmental improvement, the total volume of industrial and nonindustrial waste continued to increase and environmental improvement was still far from satisfactory.

Public security organs, procuratorial organs, and courts performed remarkably in maintaining social and economic order, safeguarding the fruits of economic development and social stability and unity. In 1994, the province cracked 55,200 criminal cases of all sorts, filed 3,011 cases of economic crimes for investigation, and recovered 127 million yuan in direct economic losses. But the comprehensive management of public order in society still presents a very heavy task.

North Region

Hebei Secretary on Investigation, Study

SK2306041395 Shijiazhuang HEBEI RIBAO
in Chinese 7 Jun 95 p 1

[FBIS Translated Text] The provincial investigation and study work conference was held in Shijiazhuang on 6 June. The conference urged party committees at all levels to further improve the leadership over the work of policy study, specifically defined the direction and duty of investigation and study, and actively developed the field of investigation and study. It is imperative to make investigation and study work serve party committees, to focus it on the central tasks, and to turn it into a constant practice of leaders. The party committee's resolution should be effectively implemented.

Cheng Weigao and Xu Yongyue, secretary and deputy secretary of the provincial party committee, respectively, attended the conference and made speeches. Wei Jianlin, deputy director of the Central Policy Research Center, made a special trip to attend the conference and expressed his opinions on how to achieve success in investigation and study work. Li Zhanshu, Standing Committee member and secretary general of the provincial party committee, chaired the conference on the afternoon of 5 June.

Cheng Weigao fully affirmed the importance of the work of investigation and study departments at all levels. He said: Policy research centers at all levels are

important advisory departments when party committees make policies; they shoulder significant responsibility in party committee policymaking. They are different from the academy of social sciences and academy of sciences, and are also different from education and scientific research departments. Their sole duty is to provide service to the policymaking of party committees. The main criterion to measure their performances is whether they can provide significant foundation for the policymaking of party committees and how their function of being advisers is brought into play.

Cheng Weigao added: The significant duty of policy research departments is to provide a service to party committees, focus on the central task, and be close to leaders. They should devote themselves to the study of tough problems to which leading organizations and leading cadres tried to find resolutions but failed. It is imperative to do more study in advance, find the problems that need to be resolved in the next step, and provide more wise counsels for leaders at all levels. In the process of providing ideas for party committees, we can bring into play our wisdom and creativity and provide service to the leaders by affording good-quality and high-efficiency consultation.

Cheng Weigao pointed out: It is to choose the study issues for policy research departments is very important. We should pay attention to key points and hot points rather than scattered and fragmentary matters in investigation and study. We should pay more attention to problems involving both theory and reality rather than matters that focus only on theory or only on reality. It is imperative to continue to increase the contribution of investigation and study work to the policymaking of leaders as well as to economic construction.

When talking about how policy research departments should further improve themselves, Cheng Weigao stated: The key lies in upgrading the quality of investigation and study personnel. It is imperative for them to work hard to study the party Central Committee's line, guidelines, and policies as well as the indispensable knowledge of science, culture, and theory. It is imperative to master and correctly judge the basic situations of localities. They should have the arduous spirit and working style under which they take the grassroots into consideration and conduct painstakingly investigations and studies. It is imperative to pay attention to problems, look into the core of the problems, understand the essence of problems, master the regular pattern of problems, and find solutions to problems. They should dare to speak the truth and reflect the essence of the masses' emotions and opinions. They should also be good at setting forth opinions and suggestions that are correct, realistic, and easy to implement. It is imperative

to advocate the spirit of collectivism, bring into play the collective wisdom, and conduct the collective struggle in an effort to improve the overall work level of policy research departments.

Xu Yongyue pointed out in his speech: The policy investigation and study work under the new situation should take the overall situation into account, give priority to key points, conform to the policymaking needs of the party committees, and focus on the central task at every stage. At present, we should particularly conduct investigation and study with a focus on the important issues of reform, opening up, economic construction, and social stability, as well as on the difficult points of party building and spiritual civilization. We should further emancipate our mind, continue to explore the field of investigation and study, achieve success in the organization and coordination of the investigation and study forces, and improve the method for investigation and study. It is imperative to conduct more investigations on typical examples, on special topics, and on comprehensive systems that can provide services to the party committees and focus on the core so we can provide correct and ample bases for party committees to engage in policies.

Xu Yongyue emphasized: Whether we can strengthen the party committees' leadership over the investigation and study work is determined by whether we attach importance to the work. Leaders can attach the greatest importance to this work by taking the lead to go deep down into the reality and energetically encourage the practice of investigation and study. It is imperative to establish the leadership responsibility system for conducting investigation and study; advocate that leading cadres themselves write the investigation and study reports that have situation reports, analyses, and suggestions; and thereby develop a custom and form a system. The main comrades in charge of party committees should also constantly assign tasks to, set forth requirements on, and hand over responsibility to local policy research centers. They should also pay attention to adopting the valuable countermeasures and suggestion local policy research centers, accept their creative ideas, and promptly use the results of investigation and study to make policies.

At the 5 June conference, the leaders from the Cangzhou, Hengshui Prefecture, Baoding, Shijiazhuang, and Tangshan respectively introduced their specific measures and experiences in fully bringing into play the function of the policy research departments in an effort to achieve success in the investigation and study work.

Attending the conference were the deputy party secretaries of cities and prefectures who are in charge of the investigation and study work; directors of the policy research centers of city and prefectural party committees; the leading comrades of the relevant units directly under the province who are in charge of the investigation and study work; and the comrades in charge of the investigation sections (offices).

Hebei Vice Governor on Enterprise Reform

*SK2306030295 Shijiazhuang HEBEI RIBAO
in Chinese 10 Jun 95 pp 1, 3*

[FBIS Translated Text] The mobilization meeting sponsored by the provincial party committee and the provincial people's government on the morning of 9 June on formulating a plan for enforcing the "three improvements and one acceleration" project among industrial enterprises with strong points indicates that the province is beginning with readjusting the organizational structure of industrial enterprises and enforcing the strategy of establishing large companies and enterprise groups. During the meeting, Guo Shichang, vice governor of the province, delivered a report in which he pointed out: The meeting is chiefly aimed at mobilizing industrial enterprises with strong points across the province to draw up a plan for and to successfully enforce the "three improvements and one acceleration" project, to unify their thinking, to define key points, to formulate measures, and to truly grasp the enforcement and to do practical deeds for it. Through "three reforms and one management" (reform, system reform, renovation, and enhancement of management), these industrial enterprises should develop and expand a large number of large companies and enterprise groups that possess the strong competitive capability of markets at home and abroad and should boost in an overall way the state-owned enterprises to realize the grand target of building Hebei into an economic strong province.

Over the past few years, industrial enterprises across the province have achieved faster development. However, of the province's enterprises, those with a large scale, good economic results, and a high level, are still too few. Famous trademark products with a large domestic market coverage and that are possible to join in the international market competition are very few. Most enterprises whose economic targets have even ranked them in the front row of the same front in the country are not large in their scale and cannot play an obvious role in bringing along economic development in the province. First, judging from the incomes of sales conducted by enterprises in 1994, of the 500 largest industrial enterprises across the country, there was no one belonging to the province in the first 30 places

of enterprises that earned more than 6 billion yuan of income from sales. The province's enterprises that possess a rational economic scale are few. Second, judging from the situation in economic results scored by enterprises, the province's enterprises whose profits and taxes have ranked them in the front row of large industries and trades throughout the country are few. Third, judging from the variety and quality of products, the province's products with the contents of high science and technology and with high market occupying rate as well as that of famous trademarks and are enjoying higher prestige in markets at home and abroad are few. Fourth, judging from the extent of enforcing the export-oriented economy, the province's enterprises that have earned foreign exchanges through exports and have enforced joint venture and cooperation are few. Fifth, judging from the organizational structure of enterprises, problems in which project construction has been duplicated and productive capabilities have been small or scattered are prominent. Sixth, judging from the function of bringing along the development of the local economy, key and backbone enterprises with a long business chain and broad relations among products are few. They are unable to form the "head" business of bringing along the development of relevant industries and trades and of the regional economy.

Guo Shizhang pointed out: By aiming at the aforementioned situations and problems, we must accelerate the strategy of establishing large companies and large enterprise groups. This means the acceleration of the project of "three improvements and one acceleration." He stated: Enforcing the strategy of establishing large companies and enterprises groups has an important significance on the development of the province's economy and is favorable for increasing the input in science and technology, for taking the lead in readjusting the structure, for developing famous trademark products, and for achieving development ahead of schedule with a high starting point. It is also favorable for participating in the competition of international markets so as to promote the development of export-oriented economy, for reorganizing and optimizing assets in a timely manner so as to accelerate the organization of large scale production, for turning the external business into an internal one so as to turn the opponents of competition into partners of coordination, for realizing the mutual supplement of enterprises' strong points so as to enhance their capability to combat risks, for bringing the local strong points into play so as to bring along the common development of regional economy, for enterprises to upgrade their production business to asset business so as to realize basic connection between domestic industrial capital and international banking capital, and for fulfilling the self-determination right to enterprises so as to

realize separation between political work and enterprise management.

In accelerating the development and growth of enterprises with strong points through the enforcement of the strategy of establishing large companies and enterprise groups and the enforcement of "three improvements and one acceleration" project, we may reach the following six goals: 1) We can enhance the economic practical strength and competitive capability of large and medium-sized enterprises. 2) We can ensure the main guiding position of the state-owned enterprises in the national economy. 3) We may upgrade in an overall way the quality and benefit of industrial growth. 4) We can optimize the structure, upgrade the benefit, and promote the second shifting of economic strategy. 5) We may bring along the sustained, rapid, and healthy development of the province's economy. 6) We can promote the realization of the target of turning Hebei into an economic strong province.

Guo Shizhang stated: Basic ideas in enforcing the "three improvements and one acceleration" project are as follows: A good job should be done in organizing the division and coordination of work, in enhancing the comprehensive management, and in distributing the essential factors of production so as to accelerate the expansive development of enterprises with strong points; by integrating the work of enhancing the construction of socialist entrepreneurs' contingent with the reform of establishing modern enterprise systems; by vigorously expediting the association, share acceptance, share control, and merger of enterprises; and by optimizing the structure of stock assets. We should promote enterprises with strong points to achieve development ahead of schedule with a high starting point by accelerating the technical renovations of traditional industries and the development of high-and-new tech industries, by taking the lead in readjusting the structure, by developing famous trademark products, and by upgrading the scientific and technological contents in investments and the benefits scored from investments. In the course of specifically enforcing the strategy, we should achieve associated development by regarding property right as a link; achieve comprehensive development by establishing a link among industry, science, trade, and banking; achieve grouped development by setting up the association of multiple enterprises; achieve serialized development by developing multiple products; achieve broad-field development by running multiple business; achieve extra development by successfully utilizing the funds of various categories; achieve base-like development by bringing the regional strong points into full play; and achieve internationalized development by setting up transprovince and transnation business and establishing transowner-

ship systems. We should enable enterprises with strong points to truly become large and comprehensive enterprise groups with the practical strength of competition at the high level and in all directions of domestic and foreign markets by conducting reform, reorganization, and renovations; by enhancing management; and by emphatically upgrading the benefits resulting from optimizing the structure, from standardizing the management, and from making scientific and technological progress. Efforts should be made to fulfill the grand target of boosting the state-owned enterprises in an overall way and of turning Hebei into an economic strong province.

Targets set for the "three improvements and one acceleration" project are as follows: Income resulting from the sale of every enterprise will reach 1, 2, 3, 6, 10 billion yuan or even larger by 2000. Taxes and profits scored by every enterprise will reach 100, 300, 500, million yuan or 1, 2, 3 billion yuan and even larger by 2000. Industrial enterprises with strong points will realize 198.2 billion yuan of income resulting from sale, whose yearly average increase will reach 27.7 percent; will realize 44.28 billion yuan of profits and taxes, whose yearly average increase will reach 30.8 percent. Of these profits and taxes, profits will reach 25.1 billion yuan and whose yearly average increase will reach 34.9 percent. Through the enforcement of "three improvements and one acceleration" project, 100 enterprises with strong points in the province should foster a large number of companies and groups with a higher occupying rate in both domestic and foreign markets; whose economic results have ranked them in the front row on the same front of the country; and which possess famous trademark products and national-noted enterprises and entrepreneurs and are enjoying a very high prestige in the hearts of consumers. They should possess 10 or 20 large enterprise groups worthy of the name, whose incomes of sales should be over 10 billion yuan and whose profits and taxes should be over 2 or 3 billion yuan.

Guo Shichang stated: The key to formulating a plan for enforcing the "three improvements and one acceleration" project lies in successfully drawing up a plan; in putting forward measures; in formulating policies; and in vigorously grasping implementation according to the demands of "multiple sources of capital, grouped enterprises, standardized production, highly optimized structure, modernized technologies, products with famous trademarks, scientific management, internationalized business, and socialized services." We should do a good job in organizing the establishment of transregion, trantrade, transownership, and large and comprehensive enterprise groups by earnestly formulating the development plan for enterprises with strong points; by reinforcing the dynamics in enterprise reform, in technical

renovations, and in enterprise reorganization; and by regarding famous trademark products and products with strong points as leading, the state-owned large enterprises with strong points as a mainstay, and the property right connection as a link.

We should reinforce the dynamics in enterprise management and in raising funds, enforce the strategy of famous trademark products, and continuously carry out the activities of learning from the influential companies. Hereafter, the focal point of learning from the influential companies will be placed on learning from large companies and large enterprise groups that have enforced the strategy of famous trademark products and created the products of famous trademarks by relying on "science and education to make the province prosperous" and by realizing the strategic targets of "having the quality and famous trademark products make the province prosperous." In enforcing the strategy of establishing large companies and large enterprise groups—the "three improvements and one acceleration" project, we need a large number of entrepreneurs who boldly make all-out efforts in enforcement and bravely assume heavy duties. They should boldly accept the challenge and act boldly in engaging in pioneering work in the course of competition.

Guo Shichang stated: Governments and departments at all levels should create favorable external conditions for enterprises with strong points to expand their business and to achieve growth and development. Governmental and financial departments should adopt every possible means to raise funds for giving support to them. They should reduce the financial burdens the enterprises have to bear in supporting social undertakings and adopt multiple channels to transfer the surplus personnel of enterprises. Efforts should be made to enhance the comprehensive allocation of essential factors of production so as to provide necessary guarantees for the development of enterprises with strong points. Various levels and departments should truly shift their function, improve or enhance the macro readjustment and control, and render good services for enterprises. They should conduct management and supervision over enterprises in line with the law and safeguard the legal right and interest of enterprises and of the representatives of legal entities. By relying on the encouragement of policies and on administrative guidance, we should accelerate the progress in grouping enterprises. Efforts should be made to enhance the leadership and to define duties so as to ensure the fulfillment of the "three improvements and one acceleration" project in line with the plan and the planned speed as well as with high quality.

At today's mobilization meeting, Dong Musen, vice manager of the Chunlan Enterprise Group of Jiangsu

Province, delivered a report at the invitation of the provincial party committee and the provincial people's government in which he described the group's experience gained in achieving rapid development. His report enlightened the meeting participants very much.

Attending the meeting were provincial leaders, including Cheng Weigao, Ye Liansong, Guo Shichang, and Zhao Yan; responsible personnel from the provincial level organs concerned; vice mayors and deputy commissioners in charge of industrial affairs of various cities and prefectures; chairmen of economic and trade commissions, planning commissions, system reform commissions, and scientific commissions of various cities and prefectures; director and managers of plants that have taken up the enforcement of "three improvements and one acceleration" project; and the representatives of advanced units and individuals outstanding in learning from the influential companies.

Cheng Weigao, secretary of the provincial party committee, highly praised the experience gained by the Chunlan Enterprise Group. He stated: The experience gained by the enterprise group has provided good teaching materials for us to succeed in this mobilization meeting. Through the development over the past 10 years, the Chunlan Enterprise Group has rapidly increased its output value from less than 10 million yuan to 5.2 billion yuan. Its output value will reach 50 billion yuan by 2000. After hearing the experience, fellow entrepreneurs and responsible comrades in charge of industrial affairs at the meeting today should earnestly consider whether they have the daring of the cadres and workers of Chunlan Enterprise Group and whether they make bold attempts; as well as consider how to grasp industry in the future.

Inner Mongolian CPPCC Work Report

SK2306023595 *Hohhot NEIMENGGU RIBAO*
in Chinese 30 Apr 95 pp 1, 2

[Report given by Zhang Zuocai, vice chairman of the Inner Mongolian Autonomous Regional Chinese People's Political Consultative Conference (CPPCC) Committee, on the work of the Standing Committee of the seventh Inner Mongolian Autonomous Regional CPPCC Committee to the third session of the seventh Inner Mongolian Autonomous Regional CPPCC Committee on 13 April]

[FBIS Translated Text] Fellow committee members:

Entrusted by the Standing Committee of the seventh Inner Mongolian Autonomous Regional CPPCC Committee, I would like to present a report on the CPPCC work for your discussion.

Over the past year, under the leadership of the Inner Mongolian Autonomous Regional CPC Committee, people of various nationalities in our region upheld Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, unceasingly emancipated the mind, deepened reform, and advanced with pioneering spirit. Greater achievements were made in the production of industry, agriculture, and animal husbandry; advances were made in the undertakings of science, technology, education, and culture; the living standards of people improved; and new progress was achieved in the construction of spiritual civilization and the building of democracy and the legal system. In line with the grand objective set forth in the sixth Inner Mongolian Autonomous Regional CPC Congress, people of various nationalities in our region forged ahead without sparing any effort.

Gratifying achievements were made in the CPPCC work under the new situation. Over the past year, the standing committee conscientiously organized and carried out the tasks defined in the second session of the seventh autonomous regional CPPCC Committee; acted in close connection with the general tasks of "seizing the opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability;" conscientiously carried out the functions of political consultation, democratic supervision, and political participation and discussion; mobilized and united with efforts of all sectors; and made positive contribution for regional reform, opening up, and economic construction.

We realistically and effectively carried out functions in close connection with reform, opening up, and economic construction. Since the second session of the seventh regional CPPCC Committee, we successively held four standing committee meetings, three special forums, and 13 chairmanship meetings, and actively carried out consultations and discussions on the major issues involving the regional reform and economic construction as well as the hot issues which were of primary concern to the people and masses. During the sixth standing committee meeting of the seventh regional CPPCC Committee held in August last year, we held discussions on the special topics of deeply reforming the state-owned enterprises and enhancing efficiency. Before this meeting, seven vice chairmen led five investigation groups to investigate various enterprises in Hohhot city and Baotou city, and some standing committee members also carried out investigation and inspection in these areas. They grasped the first-hand materials and submitted high-quality investigation reports. Some vice chairmen and standing committee members made a speech at this meeting and put forward many beneficial opinions and suggestions. At the end of the meeting, Chairman

Qian Fenyong pooled various opinions and made a statement "on some issues concerning our region's enterprise reform." The statement was highly valued by the autonomous regional party committee, and many opinions and suggestions were brought into the policy decisions of the party committee and government. During the seventh standing committee meeting of the seventh regional CPPCC Committee held in January this year, we conscientiously studied the "decision on some major issues of strengthening the party building" of the fourth plenary session of the 14th CPC Central Committee, spent lots of time in discussing the issue of fighting against corruption and advocating clean politics, and listened to the situational reports of relevant departments. The standing committee members enthusiastically supported the self improvement of the Chinese Communist Party, and put forward many pertinent opinions and suggestions. Comrade Liu Mingzu, secretary of the regional party committee, personally came to this meeting and made a statement. In his speech, he emphasized that the party's leadership over the CPPCC work should be strengthened, and put forward six important workable opinions with great guiding significance. These opinions were prevalently supported and praised by the standing committee members. In addition, the leading comrades of the regional CPPCC Committee were invited to participate in various meetings held by the regional party committee and government for several times, participated with the activities of supervising and inspecting the major tasks of the whole region on many occasions, and gave full play to their functional role in political consultation, democratic supervision, and political discussion and participation.

We paid attention to giving play to the foundation role of special committees, and achieved good results in carrying out investigation, study, and other tasks. Twelve special committees in our region prevalently strengthened ties with relevant government departments and various democratic parties and groups, and in line with their respective characteristics, actively organized committee members to carry out investigation, study, and other regular activities. Since the second session of the seventh regional CPPCC Committee, we carried out 45 special investigations; submitted 39 investigation reports, and held various forums, seminars, report meetings, and 20-odd get-together activities. The investigation and study activities involved many fields, including agriculture and animal husbandry, the in-depth reform of the state-owned enterprises, the development of the private enterprises, township enterprises, and three types of foreign-funded enterprises, the establishment of the market economic system, macro-economic regulation and control, prices, the reform of the scientific research system, the goal to give play to the role of scientific and technolo-

logical personnel, educational development, the medical and health work in urban and rural areas, teen-agers education, and the comprehensive management of public security. These issues had a bearing on the overall situation of reform, opening up, and economic construction; was brought to the great attention of the regional party committee and government; and were of primary concern to the masses and people. Therefore, we exerted our uttermost effort to firmly grasp these issues in an effort to provide basis for the party committee and government to give correct guidance and make scientific policy decisions.

In the course of carrying out investigation and study activities, we targeted on major issues, made every effort to deeply conduct investigation, and strived for actual results. Some special committees repeatedly investigated one issue, and put forward mature opinions after having a thorough understanding of the issue. Some special committees adhered to monitoring and investigation and did their best to find out the cause and effect of issues in an effort to satisfactorily resolve them. The investigation methods were diversified. Various special committees not only carried out investigation by themselves but also carried out joint investigation with the league and city CPPCC Committees; combined the efforts of carrying out regular investigations and making an analysis of typical cases; integrated the concentrated investigation with the decentralized investigation; and paid simultaneous attention to conducting investigation and study and holding forums with the league and city CPPCC Committees to exchange work experiences. With the strengthening of investigation and study activities, committee members had more opportunities to speak out in the course of participating in the discussion and administration of state affairs, and submitted a number of high-quality investigation reports and motions, which were highly valued by the party and government leading organs and relevant departments. In the course of successfully carrying out investigation and study activities, special committees actively carried out activities with characteristics, extensively made ties with people of all circles, Hong Kong and Macao compatriots, Taiwan compatriots, and overseas Chinese compatriots; introduced funds, technology, and talented personnel; did solid work for developing regional economic construction and social undertakings; and did a good job in serving the grass-roots organs and the masses and people. Therefore, greater achievements were made in broadening the CPPCC work fields and expanding the social influence of the CPPCC Committee.

We did a good job in handling motions and mobilizing committee members to carry out inspection as well as further broadened the channels for political consultation

and democratic supervision. Over the past year, we regarded raising the quality of motions and the effect of handling motions as the priority; adopted the methods of carrying out monitoring and investigation, handling motions through joint efforts, and holding on-the-spot consultations; and boosted the enthusiasm of committee members in proposing motions and the enthusiasm of relevant units in handling motions in an effort to gradually standardize and institutionalize the motions work. Since the second session of the seventh regional CPPCC Committee, we filed 498 motions after examination and approval. A total of 780 motions were proposed by 293 committee members, accounting for 61.7 percent of the total CPPCC Committee members. We handled and addressed 495 motions, accounting for 99.4 percent of the total filed motions. Compared with the motions proposed during the first session of the seventh regional CPPCC Committee, the number of motions proposed during the second session increased by 33 percent, the quality of motions was enhanced to some extent, and the motions involving economic construction accounted for 48.4 percent. The rate of adopting the motions reached to 85 percent, and the motions which were basically carried out accounted for 28.7 percent, higher than the previous year. In order to standardize and institutionalize the motions work, we successively formulated the "Regulation of the Inner Mongolian Autonomous Region on the Motions Work," the "provisional opinions for the collective motions of democratic parties, groups, and special committees," the "criterion for examining and filing motions," and the "regulation of not filing motions after examination and investigation" as well as compiled and printed the "questions and answers for the basic knowledge of the CPPCC motions work." This played a positive role in setting norms for the motions work for some time to come. Over the past year, we also paid attention to organizing and mobilizing committee members to carry out inspection activities. In addition to entrusting the league and city CPPCC Committees to organize committee members to carry out on-the-spot inspection, we also organized the league and city CPPCC committee members to carry out joint inspection in other areas within the limits of our region for the first time. These inspection activities were well received by the committee members. Through inspection activities, committee members witnessed the great achievements of our region's reform, opening up, and economic construction, understood actual situation, broadened the field of vision, reflected social situation and the will of people, and put forward many good opinions and suggestions.

We formed close ties with all sectors, maintained close cooperation with the CPPCC Committees of other places outside the regional territory, and added impe-

tus to giving guidance to the CPPCC Committees of our region. Under the situation of reform and opening up, the cooperation and experience exchange among the CPPCC Committees became quite active. Over the past year, we successively participated in seven regional meetings, including the joint meeting on the CPPCC work of three provinces and one region in the northeastern China and the joint meeting on the CPPCC work of seven provinces and one region in the northern China; received members of the National CPPCC Committee and 18 inspection and investigation groups from the CPPCC Committees of various provinces, cities, and districts; and sponsored the forum on the economic work of 12 provinces and regions and the sixth joint meeting on the CPPCC motions work of eleven provinces and regions in the western China. Through these activities, we not only made close ties and maintained cooperation with the CPPCC Committees of other areas and drew from their good experiences, but also extensively publicized the Inner Mongolian Autonomous Region and enhanced our region's renown. This played a positive role in promoting our region's reform, opening up, and economic construction. We also maintained close ties with the league, city, banner, and county CPPCC Committees in our region, strengthened guidance on their CPPCC work, and assigned two vice chairmen to specially take charge of this work. Whenever we held plenary sessions and standing committee meetings, we invited the responsible persons of the CPPCC Committees of leagues, cities, and some banners and counties to participate in the sessions and meetings as observers. The chairman and vice chairmen of the regional CPPCC Committee took advantage of the opportunity of working in the CPPCC Committees at the lower level to understand the situation of the CPPCC Committees of various districts and give them guidance. Over the past year, we held three training classes on the CPPCC work, and trained more than 80 cadres of the league, city, banner, and county CPPCC Committees. Through the "CPPCC Information Journal" and the "Developments in the CPPCC Work," we exchanged information with the CPPCC Committees of various provinces, cities, and districts and with the CPPCC Committees of leagues, cities, banners, and counties in our region. We also set up the special Mongol language program of the "voice of the CPPCC Committee" with the Inner Mongolian Radio Station. During this year, we also set up Chinese programs. These programs were broadcasted for 349 times, totaling 3,220 minutes. This strengthened propaganda on the position and role of the CPPCC Committee and effectively promoted the CPPCC work.

We continuously strengthened self improvement and did a better job in adapting to the new situation of the CPPCC work. First, we strengthened study and enhanced

the political quality of leading bodies and all members of the CPPCC Committee as well as of office personnel and workers. The Standing Committee upheld the system of the study central group; took the lead in studying the third volume of the *Selected Works of Deng Xiaoping* and the "decision" of the third and fourth plenary sessions of the 14th CPC Central Committee; made every effort to deepen the understanding of the theory of building socialism with Chinese characteristics and of the party's basic line; enhanced the recognition of the united front theory and of the position and role of the CPPCC Committee; and strengthened the dedication and sense of successfully conducting the CPPCC's work. After the CPC Central Committee issued the "outlines for conducting patriotic education," we promptly held special forums and conducted study and discussion activities. Recently, in line with the plans of the regional party committee, we conducted the activities of studying and discussing the socialist market economic theory. Second, we grasped the building of systems; conscientiously studied and conducted the newly-revised CPPCC Constitution; and formulated the "regulations on the work of the Standing Committee meetings of the CPPCC Committee," the "main outlines for the organizational work of the plenary session of the CPPCC Committee," and other rules and regulations. Third, we grasped the construction of special committees and their administrative organs. In the course of persisting in conducting the "main outlines for the organizational work of the plenary session of the CPPCC Committee," various special committees established the system of maintaining ties with the counterpart functional departments of the government and strived to explore new procedures and methods for CPPCC work in an effort to assign tasks to each post, divide responsibility for each person, and define the division of labor. Fourth, we grasped organizational construction. We established and perfected various rules and regulations, strengthened ideological and political work, unceasingly improved work style, and enhanced service quality in an effort to make office personnel have great improvements in their mental outlook, service consciousness, professional level, and efficiency of handling affairs.

Fellow deputies, over the past year, in line with the tasks defined in the second session of the seventh regional CPPCC Committee, and owing to the correct leadership of the regional party committee, the prompt guidance of the National CPPCC Committee, the energetic support of all sectors, and the joint effort of the entire committee members, the Standing Committee advanced with pioneering spirit, actively explored the methods for improving the CPPCC's work, and witnessed good achievements in various tasks. However, compared with the tasks stipulated in the CPPCC Con-

stitution, with the development of the current situation, and with the expectation the masses and people, there were many problems and deficiencies in our work, such as: 1) The work of standardizing and institutionalizing the functions of political consultation, democratic supervision, and political discussion and participation should be further strength. The level of participating in political discussion and administration of state affairs was low, and the impetus for conducting democratic supervision was weak. 2) The overall function of the CPPCC Committee and the enthusiasm of the committee members was not brought into full play. 3) Owing to the restriction of objective conditions, the role of the Standing Committee was not given full play. 4) There were many unsatisfactory aspects in the work of the administrative body. Therefore, we are determined to improve these deficiencies and resolve these problems this year. We believe that under the correct leadership of the regional party committee, and with the concerted effort of all committee members, we are able to successfully conduct various tasks and create new situations for the CPPCC work.

Fellow deputies, 1995 is the last year to comprehensively fulfill the "Eighth Five-Year" Plan and the year to start to conduct the fighting objective for the next six years set forth in the sixth Inner Mongolian Regional CPC Congress. The guiding principles for the work of the Standing Committee are that we should regard Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance; uphold the party's basic line; comprehensively conduct the guidelines of the third and fourth plenary sessions of the 14th CPC Central Committee and of the sixth regional party congress; act in close accordance with economic construction; consciously serve the general tasks of "seizing opportunity, deepening reform, expanding opening up, promoting development, and maintaining stability;" correctly handle the relationship between reform, development, and stability; conduct the main functions of political consultation, democratic supervision, and political discussion and participation; and make due contributions for promoting the construction of two civilizations and comprehensively realizing two great historical tasks by the end of this century.

1. We should deeply study the theory of building socialism with Chinese characteristics and actively participate in the activities of studying and discussing the socialist market economic system. We should carry forward the fine tradition of self education of the CPPCC Committee and the good study style of integrating theory with practice, as well as unceasingly deepen study activities. Various leading bodies should uphold the system of the study central group. Through adopting the forms

of making special committees organize study activities; making league and city CPPCC Committee members participate in the local study activities; and holding seminars, report meetings, and training classes, we should organize committee members and office cadres to deeply study the *Selected Works of Deng Xiaoping*; the principles and policies of the party and state; the theories of patriotism, the united front, and the CPPCC Committee; the newly revised CPPCC Constitution; and the "regulation of the national CPPCC Committee on political consultation, democratic supervision, and political discussion and participation" in an effort to enhance the recognition of the position and role of the CPPCC Committee and to strengthen the confidence and consciousness of the CPPCC work. The large study and discussion activities conducted by the regional party committee are the great move for developing and building the Inner Mongolian Autonomous Region and the important policymaking tasks of the regional party committee, so various committee members and office cadres should actively participate in the study and discussion activities; integrate study and discussion with political discussion and participation; emancipate the mind; renew ideas; further common consensus; study the new situation and characteristics of the CPPCC work under the new circumstances of the market economy; and enhance the level of participating in the political discussion and administration of state affairs.

2. We should realistically carry out the main functions and do a good job in political discussion and participation in line with the central task. Political consultation, democratic supervision, and political discussion and participation are the main functions of the CPPCC Committee. The CPPCC Committees at all levels should carry out their functions in line with the central tasks of the party and government and unceasingly standardize and institutionalize the main functions. The work priorities of the regional party committee and government during this year are to act in line with the twenty-character principle, grasp reform, development, and stability, improve the living standards of the people in urban and rural areas, and promote the overall progress of society. In line with the central tasks, the CPPCC Committee should carry out investigation and study activities, hold consultations and discussions, suggest ways and means, and put forward insightful opinions and suggestions. We should do a good job in holding the regular standing committee meetings and special forums. Whenever we hold meetings or forums, we should only focus on one or two issues, hold special consultation and discussion on the issues, and make every effort to deeply study them in an effort to put forward feasible opinions and suggestions to the regional party committee and government. Various special committees should select special

topics for investigation and study, act in line with the "precise, in-depth, and realistic" principle, organize efforts of all sectors, deeply carry out investigation and study activities, and devote great efforts to submitting a number of investigation reports with workable suggestions and opinions. We should examine and discuss the high-quality reports and important motions in the chairmanship meetings or the standing committee meetings, and formally report them to the regional party committee and government. In order to give play to the role of the entire committee members in political discussion and participation, through the methods of combining the efforts of general offices and the organizations of special committees and integrating on-the-spot investigation with mutual investigation, the standing committee should organize committee members to carry out inspection, strive to make each committee member have at least one inspection opportunity every year, and provide conditions for committee members to understand the political situation and put forth their strength. In order to carry out the "regulation of the Inner Mongolian Autonomous Region on the motions work," we should further improve the motions work and really make the motions become the important channel for the CPPCC Committee members to actively participate in political discussion and administration of state affairs.

In order to realistically increase the actual results of political discussion and participation, we should standardize and institutionalize the functions of political consultation, democratic supervision, and hold political discussion and participation as soon as possible. The standing committee should conscientiously carry out the "regulation of the National CPPCC Committee on political consultation, democratic supervision, and political discussion and participation" and the guidelines of the "circular" of the CPC Central Committee on this regulation. We should act in line with the actual situation of the Inner Mongolian Autonomous Region, extensively solicit opinions, formulate specific methods for the implementation as soon as possible, make the methods workable, and carry out the guidelines of the "regulation" and the "circular" in places where needed.

3. We should give full play to the role of democratic parties, the mass organizations, and people of various circles as well as do a good job in reflecting the social situation and the will of the people. The CPPCC Committee is the place where various democratic parties cooperate with each other and also the symbol of big unity. Democratic parties, the mass organizations, and people of various circles are the major part of the CPPCC Committee. Being in the big family of the CPPCC Committee, we should be frank, sincere, and on intimate terms with each other. We should create a strong

democratic and harmonious atmosphere; hold discussions when anything comes up; frequently invite the responsible persons of the democratic parties, the industrial and commercial federations, and the mass organizations and the people of various circles to participate in the informal discussions; conscientiously listen to their opinions and take their advice; and maintain close cooperation with them. In addition, we should also invite them to participate in the important investigation, study, consultation, and discussion activities. We should pay great attention to the collective motions of the democratic parties and groups, conscientiously handle the motions, and directly submit some of the motions to the party and government leading organs for examination and approval. The committee members of all circles should maintain close ties with the masses of their circle, listen to their voices, experience and observe their emotions, reflect their will, make full use of the advantageous opportunity of being able to reach the central authorities (in the autonomous region, reaching the regional party committee) and maintain ties with all circles of the society, and shoulder the important task of reflecting social situation and the will of people. At the same time, we should cooperate with the party committee and government to do much more work in furthering understanding, deepening comprehension, clearing up misunderstanding, and reaching an understanding. We should do a good job in mediating the relation, removing contradictions, improving motions, and encouraging the morale in an effort to safeguard social stability and continuously maintain the unified and stable situation in our region.

4. We should actively carry out the activities of making ties with the Taiwan compatriots, Hong Kong and Macao compatriots, and overseas Chinese compatriots as well as make contribution for the grand undertaking of the reunification of the motherland. The CPPCC Committee has the tradition of making friends with the countrymen residing abroad, and has the unique advantage and role in promoting the grand undertaking of the reunification of the motherland. In order to give play to the advantage, we should make friendly contacts with the outside world in various layers and channels, acquire a better understanding, and further mutual consensus. We should hold high the banner of patriotism and socialism, cooperate with the party committee and government to carry out various activities to mark the 50th anniversary for the victory of the world's anti-fascist war and to support the Fourth World's Women Congress of the United Nations which will be held in Beijing, and use this opportunity to extensively and deeply carry out the education of ardently loving the motherland among the people of various nationalities. The date of regaining our sovereign rights over Hong

Kong and Macao is drawing near. Therefore, we should have a clear-cut stand in supporting our great motherland's recovery of the sovereign rights over Hong Kong and Macao. The important statement made by General Secretary Jiang Zemin caused strong repercussions in domestic and foreign countries. We should conscientiously study and propagate the eight propositions made by General Secretary Jiang Zemin, and resolutely resist and oppose the plot of Taiwan authorities in striving for "Taiwan independence." We should place hopes on the Taiwan people, strive to broaden the channels for making ties with the people of various circles in Taiwan, exert our effort to promote the "direct mail, trade, and air and shipping links" between the two sides of the strait, and make due contribution for realizing the reunification of the motherland as soon as possible.

5. We should maintain close ties with the league, city, banner, and county CPPCC Committees and add impetus to giving them guidance. There are more leagues and less cities in the administrative division of our region. Party and government leading organs of eight leagues are subject to the agencies of the autonomous region, and thus do not hold party congresses and people's congresses. Under this situation, the tasks of the league and city CPPCC Committees becomes more arduous; hence, we should exert more efforts to maintain ties with them and offer them guidance. In line with the experiences of various districts and practices in recent years, we should adopt the following workable measures for maintaining ties with league, city, banner, and county CPPCC Committees and for guiding their work. 1) The regional CPPCC Committee and league, city, banner, and county CPPCC Committees should participate in each other's meetings or attend the meetings as non-voters. In the course of holding the plenary sessions, Standing Committee meetings, or other meetings, the regional CPPCC Committee should invite the responsible persons of league, city, banner, and county CPPCC Committees to participate in the meetings. When league, city, banner, and county CPPCC Committees hold important meetings or conduct major activities, the regional CPPCC Committee should take into consideration the circumstances and should assign committee members to participate in the meetings or activities. 2) We should make concerted efforts with league, city, banner, and county CPPCC Committees to conduct investigation, study, inspection, and other influential activities. 3) We should strengthen investigation and study on the local CPPCC work and increase the impetus of exchanging experience with the local CPPCC Committees. We should pay attention to summarizing and promoting the good experiences and practices of league, city, banner, and county CPPCC Committees; actively reflect their difficulties and problems that emerge in the

course of conducting work; and make every effort to resolve them. The regional CPPCC Committee intends to hold a forum on the work experiences of the local CPPCC Committees across the region during the second half of this year; therefore, from now on, we should make meticulous preparations for successfully holding the forum. 4) We should continuously do a good job in running the "CPPCC Information Journal" and "Developments in the CPPCC Work"; should frequently report the thinking on the regional CPPCC work; should reflect the work situation of league, city, banner, and county CPPCC Committees; should report important information to the National CPPCC Committee and relevant departments of the autonomous region; should strengthen propaganda on the position and role of the CPPCC Committee; and should expand the influence of the CPPCC Committee. 5) We should add impetus to training the cadres of league, city, banner, and county CPPCC Committees. The regional CPPCC Committee should hold a certain number of training classes in a planned manner every year and strive to make the cadres of leagues, cities, and the greater part of the banners and counties above the county (section) level have the opportunity to receive training. For problems involved in the authorized size of the personnel and the funds of league, city, banner, and county CPPCC Committees in the near future, the regional CPPCC Committee will report them to the regional party committee for resolution. We should also strengthen ties and exchange experience with the CPPCC Committees of other places outside the regional territory in an effort to exchange information with each other, help each other, learn from each other, and draw on the strength of each to offset the weakness of the other.

6. We should enhance the quality of CPPCC Committee members and grasp the construction of CPPCC organs. CPPCC Committee members are the main body of the CPPCC work, and CPPCC organs are responsible for organizing and serving the committee members' activities. Therefore, mobilizing and giving play to the enthusiasm and creativity of CPPCC Committee members and organs are the foundation and prerequisite of successfully carrying out the CPPCC work. The crux of enhancing the quality of CPPCC Committee members lies in enhancing their ability to participate in the political discussion and administration of state affairs and to give play to their role. Only by giving full play to the role of the broad masses of CPPCC Committee members can we enhance the overall level of the CPPCC work. Therefore, we should pay great attention to the following aspects for some time to come. A) The work of ~~organizing~~ committee members to conduct activities should be strengthened. B) The work of listening to the opinions of committee members

should be strengthened. C) The work of reporting information should be strengthened, and the situation that committee members cannot give full play to their role because they only attend one meeting for a year should also be changed. Committee members should also strengthen their sense of responsibility and mission; actively participate in investigation, study, inspection, and other activities; take the initiative in expressing opinions; and responsibly put forward motions. We should advocate the practice of making each committee member at least participate in one inspection activity, propose one motion, put forward one suggestion, and reflect one information during every year. Units where committee members work should pay attention to giving play to the role of committee members, invite them to participate in relevant meetings, solicit their opinions on the work of units, and entrust them to reflect situations and put forward suggestions and motions to the higher authorities.

We should further strengthen the organizational, ideological, and work style construction of CPPCC organs; pay attention to theoretic and vocational study; carry forward the spirit of honestly and diligently performing official duties, maintaining unity and cooperation, building enterprises through arduous effort, and making selfless dedication; improve work style; enhance the efficiency of handling affairs; and do a good job in serving the goal of making committee members efficiently and successfully perform their duties in an effort to make the CPPCC organs really become the "home of committee members." In line with the plans of the regional party committee and the "simple, unified, and efficient" principle, regional CPPCC organs should accomplish organizational reform this year. Only through reform can we readjust the structure of organs; improve work relations; establish and perfect the job responsibility system and system of training, evaluating, appointing, and interchanging cadres; and enhance the level of organizational work and the degree of standardization.

Fellow committee members, at present our state is facing a crucial period of reform, opening up, and economic construction. The new situation has entrusted the CPPCC Committee with new historical tasks. Therefore, under the leadership of the Inner Mongolian Autonomous Regional CPC Committee, and with the guidance of the National CPPCC Committee, let us rally around the CPC Central Committee with Comrade Jiang Zemin as the core; hold high the banner of patriotism and socialism; work with one heart and mind; unite as one; make every effort to fulfill various tasks defined in the third session of the seventh regional CPPCC Committee; and make contributions for promoting the construction of the two civilizations in our region.

Inner Mongolian Ethnic Cadres Reach Maturity

HK2306014195 Beijing *RENMIN RIBAO* in Chinese
16 May 95 p 3

[Article by reporters Ao Teng (0277 7506) and Liu Liangming (0491 0081 2494): "With Emphasis Placed on Training, Tempering, and Actual Achievements, the Ranks of Ethnic Minority Cadres in Inner Mongolia Are Reaching Maturity"]

[FBIS Translated Text] Since the beginning of reform and opening up, Inner Mongolia Autonomous Region has scored great achievements in the cultivation and promotion of ethnic minority cadres. Immediately after the founding of the People's Republic, there were only about 7,000 ethnic minority cadres at all levels. In the 1960's the figure grew to 34,000, or 13.7 percent of the total number of cadres. By the end of 1993, there were nearly 162,000, meaning that more than 20 percent of the total number of cadres in Inner Mongolia have an ethnic minority background.

Emphasis on training and cultivation. In the past few years, Inner Mongolia Autonomous Region has made the cultivation and training of a reserve force of ethnic minority cadres part of its overall plan for the building of cadres and has carried out training in a planned and organized way to improve the overall quality and standards of trainees. Measures taken include: 1) Party and government leaders at various levels institute a system of division of labor with individual responsibility under which they teach ethnic minority cadres by personal example as well as verbal instruction; 2) party schools at various levels conduct systematic training of ethnic minority cadres in the basic theories of Marxism-Leninism and Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; since 1990, party schools in various leagues and cities have conducted more than 30 training sessions and have trained a reserve force of 1,500 cadres at the county level, 26.3 percent of them with ethnic minority background; 3) cadres are selected to go abroad or to other parts of China to visit and study in order to broaden their knowledge, increase their abilities, and upgrade their ideas; since 1980, the whole region has sent more than 1,200 cadres abroad to study, more than one-third of whom are ethnic minorities; and 4) training bases are established in economically developed areas. In the past few years, the autonomous region and some of its leagues and cities have set up training bases in Jiangsu and Guangdong and have trained more than 900 cadres, among whom 32.4 percent were ethnic minorities.

Emphasis on tempering. The regional party committee attaches great importance to developing the actual work ability of ethnic minority cadres. Since 1990, the

entire region has sent over 1,900 cadres, 33 percent of them from ethnic minorities, to developed areas outside the region to temper themselves while serving as local cadres in these areas on a short-term basis. The governments at the regional, league, and city levels have sent more than 1,500 office cadres, 29 percent of them from ethnic minorities, to serve at the grass-roots level. At the same time, cadres swap jobs extensively among the leagues (cities) and banners (counties), and among various trades. These measures have made it possible for ethnic minority cadres to receive all-round training and tempering. As a result, their leadership qualities and capabilities have quickly improved and many of them have already assumed important leading positions.

Emphasis on actual achievements. In promoting ethnic minority cadres, the regional party committee has broken away from the traditional ideas of promoting people according to seniority or accommodating people by bending the rules, and instead attaches special importance to their work achievements, placing a large contingent of outstanding, capable, and creative ethnic minority cadres in important leading posts in various departments and trades. In doing so, priority has been given to young and middle-aged ethnic minority cadres. At present, among the four major leading bodies at the autonomous region and among cadres at the league (city) and banner (county) levels, ethnic minority cadres make up 40 percent and 30 percent of all cadres respectively. Among the leading party and government cadres holding principal posts in leagues (cities), ethnic minority cadres have always accounted for over 50 percent. In the entire region, there are 98,000 scientific and technological personnel with ethnic minority backgrounds, constituting 60 percent of the total number of ethnic minority cadres. Of them, 87,900 people, or 54 percent, have obtained specialized technical titles.

Shanxi Sets Up Court for Women, Children

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0903 GMT 23 Jun 95

[FBIS Transcribed Text] Beijing, June 23 (XINHUA) — A court for the protection of the interests and rights of women and children was set up recently in Datong, a major city of north China's Shanxi Province.

The court, jointly established by the Datong City Intermediate People's Court and the Datong Chengqu Court with assistance from the Datong City Women's Federation, is the first of its kind in Shanxi.

It will handle related cases and publicize legal knowledge among women. It will also instruct local women's organizers how to protect women's and children's rights.

Tianjin Meeting Reports on Drug Prevention Work

*SK2306090495 Tianjin TIANJIN RIBAO in Chinese
9 Jun 95 p 1*

[By reporter Zhang Mingqi (1728 7686 2978) and correspondent Zhang Baofeng (1728 1405 0023): "We Should Increase the Momentum to Strike Blows to Drug Crimes"]

[FBIS Translated Text] On 8 June, Tianjin Municipality held a work meeting on banning drugs. Song Pingshun, standing committee member of the municipal party committee and vice mayor, attended the meeting and made a speech.

Since 1991, the entire municipality has cracked 135 cases of smuggling, selling, and transportation of drugs, arrested 360 criminals committing drug crimes, captured 887 grams of heroine, 470 grams of opium, 13.4 kg of marijuana, and 87.7 kg of poppy seeds. We have also cracked several important groups headed by Cai Yi, Yuan Yuhua, and Zhang Huibin, and also two criminal cases involving foreign nationals' smuggling drugs in transit. Although the drug crimes in our municipality are not very serious compared with other areas, the situation we face is getting grimmer each year. When the cases of selling, transporting, and illegally possessing drugs continues to increase, the number of people who take and inject drugs as well as narcotics also increases. To effectively control the rising tendency of drug crimes, our municipality is going to conduct a special struggle to ban drugs throughout the whole municipality from 10 June to 10 July.

Song Pingshun emphasized in his speech: The functional departments at all levels should increase the momentum to strike blows to drug crimes. The public security, procuratorial, and judicial departments should take striking blows to the behaviors of smuggling, manufacturing, and selling drugs as the major contents of the struggle of striking relentless blows. They should take effective measures, and comprehensively improve the work of investigation, cracking cases, and arresting criminals. The departments of customs, frontier defense, railway, transportation, civil aviation, and industry and commerce should bring into play their own superiority, improve the measures of investigation and arrest, and intercept the drugs "in transit" or come into our municipality. For those arrested drug criminals, we should persist in carrying out the guideline of handling criminals in a strict and speedy manner, and fully exercise the legal weapons to punish them strictly.

The meeting made specific plans for the special struggle of banning drugs.

Northwest Region

Ningxia 1994 Statistical Report

*HK1506013595 Yinchuan NINGXIA RIBAO
in Chinese 3 Apr 95 p 2*

["Statistical Report Issued by the Statistics Bureau of the Ningxia Autonomous Region on National Economic and Social Development in 1994"]

[FBIS Translated Text] In 1994, led by the party committee and government of the autonomous region, the people of all nationalities in the region conscientiously implemented the principle of "seizing the opportunity, deepening reform, opening wider to the outside world, promoting development, and maintaining stability" set by the central authorities, intensified reform, and correctly handled the relations among reform, development, and stability. The important reform measures for finance, banking, and foreign trade were implemented smoothly, and the national economy maintained its momentum of sustained growth and steady development. The people's life continued to improve, and all social undertakings made new progress. The yearly gross domestic product totaled 13.3 billion yuan, up 8.2 percent over the previous year. The added value of primary industry (agriculture) increased by 3 billion yuan, up 2.1 percent; that of secondary industry increased by 5.5 billion yuan, up 8.5 percent; and that of tertiary industry by 4.8 billion yuan, up 12 percent. The per capita gross domestic product was 2,681 yuan, an increase of 567 yuan, or 6.6 percent, compared with the previous year. The major problems for socio-economic development were excessive price increases, the great difficulties confronted by a considerable number of enterprises, especially state enterprises, in production and management, the continued weak status of agriculture as the foundation of the national economy, and the continued poor quality of economic operations.

I. Agriculture

In 1994, with the focus placed on increasing peasant income, the whole region conscientiously strengthened leadership over agriculture and rural work, continued to readjust the internal structure of agriculture, energetically developed high-yield, good-quality agriculture, used autumn crops to make up for the losses in summer crops, and supplemented agriculture with sideline production. The rural economy forged ahead in a comprehensive way, despite the severe drought in mountain areas, the high temperature in the irrigated areas, and the hailstone, floods, and waterlogging in some areas. The annual agricultural output value totaled 4.58 billion yuan, up 2.1 percent against the previous year, among which the output value of agriculture was 3.15 billion

yuan, down 2.2 percent; the output value of animal husbandry was 1.23 billion yuan, up 15.3 percent; and the output value of fishery was 98 million yuan, up 12.1 percent.

In staple farm products, though affected by a summer grain crop reduction, the total grain output still topped

2 million tonnes, a second high record in history; there was a good harvest of oil- and sugar-bearing crops, a second record harvest in history.

The output of staple farm products was as follows:

	1994	% growth over 1993
Grain	2,012,000 tonnes	-2.0
Oil-bearing	70,000 tonnes	10.4
Sugar beet	528,000 tonnes	16.6
Fruit	81,000 tonnes	-4.8

Forestry production achieved new successes, and the afforested area reached 435,000 mu, up 20.6 percent up over the previous year.

Animal husbandry production also obtained breakthrough development, showing a record harvest of meat, eggs, and milk and a steady increase in the number of livestock on hand.

Output of major animal products and livestock on hand:

	1994	% growth over 1993
Total meat output	96,000 tonnes	17.9
Including beef and mutton	29,000 tonnes	26.9
Milk	100,000 tonnes	40.8
Sheep wool	3,206 tonnes	6.1
Pig at year end	845,000 tonnes	6.4
Sheep at year end	2,691,000 head	7.9
Big livestock at year end	831,000 head	8.9
Including cow	429,000 head	28.1

The amount of quality fish increased as fishery production kept growing. The yearly aquatic product totaled 17,000 tonnes, 12.3 percent up against the previous year.

The conditions of agricultural production improved further. By the end of 1994, the agricultural machinery horsepower totaled 22.86 million kilowatts, up 5.1 percent over the previous year; large and medium-sized tractors numbered 4,400, down 5.6 percent; small and walking tractors numbered 110,100, up 4.6 percent; heavy-duty trucks numbered 4,300, up 4.9 percent;

the horsepower of irrigation machinery totaled 142,000 kilowatts, down 0.1 percent; rural power consumption was 0.54 billion kWh, up 12.7 percent; yearly chemical fertilizer (in terms of 100 percent active ingredient) consumption was 147,000 tonnes, up 9.9 percent; and construction of water conservancy works was strengthened, with the irrigated area enlarged by 23,000 mu.

The township and town enterprises, the main component of the rural economy, made rapid progress. According to the statistics issued by the bureau of township and town

enterprises of the autonomous region, the total output value of township and town enterprises reached 4.298 billion yuan, up 38.2 percent up over the previous year.

As the investment put into rural economic development was not enough, and the prices of the agricultural means of production rose sharply, the weak foundation of agriculture in the national economy remained conspicuous. This was harmful to the long and steady development of agricultural production.

II. Industry and Construction Industry

In 1994, having overcome many difficulties, such as money shortages, the soaring prices of raw material, rising cost pressures, sluggish sales, and under-capacity operations, the industrial enterprises of the region, taking the market as a guide, vigorously organized production and worked hard to reduce losses and increase profits. The industrial economy maintained a steady growth.

The region accomplished a gross industrial output value of 15.08 billion yuan, up 9.8 percent against the previous year. Of this, the output value of state-owned enterprises was 10.65 billion yuan, up 6.5 percent (calculated in terms of comparable items); that of collective enterprises 2.26 billion yuan, up 10.2 percent; that of foreign-funded industrial enterprises 1.22 billion yuan, up 150 percent (calculated in terms of comparable items). With their gross output value totalling 9.53 billion yuan, up 9.9 percent, the large and medium-sized industrial enterprises maintained a momentum of strong growth and played a mainstay role. In terms of light and heavy industries, the former's output value was 3.18 billion yuan, up 3.9 percent over the previous year, and the latter's output value was 11.9 billion yuan, up 12.1 percent. More than half of the industrial products registered increases of varying degrees. The following are the outputs of major industrial products:

	1994	% growth over 1993
Wool fabric	797,400 meters	-1.1
Knitting wool	1,635 tonnes	-20.0
Woolen blanket	206,500 pieces	-53.4
Sugar	29,500 tonnes	-16.9
Cigarette	33,000 cases	-18.3
Beer	31,000 tonnes	-11.1
Machine-made paper & paperboard	118,800 tonnes	12.0
Domestic ceramics	36,160,000 pieces	27.9
Raw coal	13,889,400 tonnes	1.3
Crude oil	301,100 tonnes	43.4
Crude oil processing	560,100 tonnes	0.8
Generating capacity	730 million kwh	11.2
Pig iron	50,100 tonnes	-0.3
Steel	70,200 tonnes	13.2
Ferroalloy	141,400 tonnes	19.1
Coke	354,000 tonnes	-0.4
Aluminum	86,300 tonnes	4.6
Chemical fertilizer (100% active ingredients)	345,100 tonnes	17.9
Synthetic ammonia	410,900 tonnes	11.7
Outer tire	1,442,000 pieces	17.6
Cement	1,309,200 tonnes	11.7
Glass plate	341,000 weight cases	-7.7

	1994	% growth over 1993
Metal cutting machine	1,649 sets	-25.2
Small tractor	9,860 sets	26.4
Washed coal	1,605,700 tonnes	-9.6
Bearing	2,438,000 sets	8.5
Graphite and carbon product	126,900 tonnes	35.4
Automation instrument	24,100 sets	4.8

Industrial economic returns gradually improved, but the overall efficiency level remained low. In 1994, industrial enterprises with independent accounting at or above the township level realized profits and taxes totalling 950 million, almost the same as the previous year. The composite indexes of the industrial economic return was 69.8 percent, 23 percentage points higher than the first quarter of the year, but still 5.6 percentage points lower against the previous year. All of the six targets which compose the composite indexes dropped slightly, except for labor productivity, which increased a little. Among these targets, the overall labor productivity, calculated in terms of added value, was 12,412 yuan per person; the sale rate for the industrial products was 96.6 percent; the profit and tax rate on capital was 4.9 percent; the profit rate on cost and expense was 0.6 percent; the turnover times of current capital was 1.1; and the added value rate was 31.2 percent. Thirty-six percent of state-owned enterprises suffered losses. As the amount of loss increased considerably, the operation quality for the industrial economy remained low.

The production and operation of the building industry developed steadily. The added value of the building industry for the whole year was 1 billion yuan, up 2.4 percent over the previous year. The area of floor space constructed by state-owned construction enterprises totaled 1,709,000 square meters, down 2.8 percent against the previous year. The area of floor space completed totaled 887,000 square meters, an increase of 19.9 percent. Calculated in terms of total output value, overall labor productivity was 23,562 yuan per person, up 1 percent against the previous year. Due to funding shortages, many building enterprises worked under capacity, and their profits decreased.

III. Investment in Fixed Assets

The total amount of fixed assets investment increased at a slowdown rate. In 1994, investment in fixed assets by the whole society was 6,098 billion yuan, up 15.8 percent up against the previous year, but the rate of increase was down 22.5 percentage points. Of this, investment by state-owned enterprises was 5,196 billion

yuan, up 24 percent; that by collective enterprises was 0.357 billion yuan, down 22.7 percent, and that by urban and rural individuals 0.545 billion yuan, down 9.3 percent down. The projects under construction were reduced in scale, and the projects to be constructed were placed under effective control. In 1994, there were 1,214 capital construction projects and renewal projects undertaken by state-owned enterprises, 77 fewer than the previous year. The new projects to be constructed were 810, a decrease of five projects.

In the investment made by state-owned enterprises, 3,305 billion yuan was invested in capital construction, up 28 percent over the previous year, 1,442 billion yuan was invested in projects of equipment renewal and technological transformation, up 26.8 percent; and 0.303 billion yuan was for real estate development, down 2.5 percent. In terms of the relationship of administrative subordination, completed investment by the central government was 1,882 billion yuan, up 25.7 percent and by the local governments 3,314 billion yuan, up 23.2 percent.

The key projects and key construction projects were carried out smoothly. In 1994, the region made arrangements for 12 key projects, including key state projects, with a total investment of 7,557 billion yuan, of which 1,512 billion yuan was completed, accounting for 91.6 percent of the annual plan. The whole line of Baozhong Railway was open to traffic; it started separate transport [fen liu yun shu 0433 3177 6663 6551] in November 1994. The Lingwu Mining Area was under intense construction. The construction of the second-phase Daba Power Plant formally commenced. With the installation and shadedown test completed, the Yinchuan Dairy Plant was put on trial production. The Yanhuanding Water Pumping Project had the capability to irrigate 50,000 mu of farmland. The whole of Yinghu highway was open to traffic, and the Ningxia International Hotel opened its business within that year. The extension project of Yinchuan telephone network was accomplished with 30,000 lines newly added. The early-stage preparations

for the Ningxia Pulp and Paper Mill and Yinchuan Hé-dong Airport were underway.

IV. Traffic and Post and Telecommunication

The traffic and post and telecommunications undertakings kept developing rapidly. In 1994, investment in and construction for the infrastructure, such as railways, highways, post and telecommunications, were further

strengthened. The equipment of post and telecommunications was improved. The added value of traffic, post and communications was 600 million yuan, up 9.2 percent over the previous year.

The following are the turnover volumes of different means of transportation:

	1994	% growth over 1993
Cargo turnover	8.89 billion tonnes/km	13.9
including: railway	7.18 billion tonnes/km	15.8
highway	1.61 billion tonnes/km	5.7
civil aviation	297,000 tonnes/km	85.6
Passenger turnover	2.64 billion persons/km	8.9
including: railway	0.58 billion persons/km	3.8
highway	2 billion persons/km	9.8
civil aviation	61.5 million persons/km	37.8

The post and telecommunications undertaking developed rapidly. The 1994 business turnover totaled 148.171 million yuan, up 44.4 percent against the previous year. The express mail, radiophone, and portable telephone business grew rapidly. By the end of the year, the telephone exchanges in major cities had totaled 141,200 sets, up 54.9 percent, and the total capacity of computerized exchanges totaled 139,800 lines, 80,200 more than the previous year, or an increase of 134.8 percent, accounting for 91.5 percent of the total capacity of city telephones.

V. Domestic and Foreign Trade and Market Price

In 1994, the region continued building the market system and making further efforts to broaden the field of circulation. The market for consumer goods was well-stocked, and markets in towns and the country grew steadily. The amount of retail sales for consumer goods all over the region totaled 4.7 billion yuan, up 24.7 percent (actually up 3.4 percent if the price factor is deducted). Of this amount, the sales amount of cities was 2.869 billion yuan, up 27.4 percent, and that of counties or below was 1.83 billion yuan, up 20.7 percent. The sales gap between cities and the country was narrowed.

Viewed from the total amount of retail sales of consumer goods according to their economy model, 2.011 billion yuan was by the state economy, 16.8 percent up; 0.703 billion yuan by the collective economy, 0.3 per-

cent down; and 1.918 billion yuan by other economic models, 44.9 percent up, which included 1.112 billion yuan by the individual and private economy, 51.5 percent up, showing a growth rate faster than that for the state and collective economies.

The consciousness for market competition was gradually enhanced. The quality and grade of people's consumption were further improved. Small household electrical appliances and gold ornaments had a ready sale. As the customer mentality was stable, there were no great fluctuations in consumer markets.

In 1994, the reform of the foreign trade and foreign exchange systems was carried out smoothly. Foreign trade grew steadily. The total value of commodity imports and exports in 1994 totaled \$179 million, up 24.9 percent up against the previous year. The export volume totaled \$146 million, up 31.6 percent.

The utilization of foreign funds continued to expand. In 1994, the amount of foreign funds actually utilized throughout the region totaled \$23.08 million. Sixty-eight foreign-funded projects were newly concluded. With the broadening of the scope of investment, the number of foreign-funded enterprises increased. By the end of 1994 there were 327 registered foreign-funded enterprises, 66 more than the previous year.

Foreign tourism developed gradually. In 1994, the region received 3,553 tourists from foreign countries, Hong Kong, Macao, and Taiwan, an increase of 22.3

percent over the previous year, and earned \$1.104 million from foreign tourism.

A new step was taken in the price reform. In 1994, on the basis of the price reform conducted in 1993, the region introduced reform measures by adjusting the purchase prices for crude oil, raw coal, and grain, increased the importance of the price system, and further enhanced the degree of price marketization. As affected by the nationwide short supply of farm products, the policy-related price adjustments, and the irregular market, among other factors, market prices rose considerably from a high starting point and became a glaring problem in economic life. Compared with the same period in the previous year, the combined index of retail prices and the index of inhabitants' consumer prices rose by 20.6 percent and 23.1 percent respectively, both the highest rates during the 16 years of reform.

The following are the rates of price increases (percent) compared with the previous year:

I. Prices of consumer goods for residents	23.1
including: city and town	24.8
countryside	21.6
II. Retail prices	20.6
1. food	36.4
grain	52.7
oil and fat	80.5
2. beverage, cigarettes, and wine	8.1
3. garment, shoes, and hats	28.3
4. textile	12.9
5. Western and Chinese medicine	7.0
6. cosmetics	16.1
7. books, newspapers, and magazines	25.6
8. cultural and sporting goods	10.0
9. daily household goods	12.4
10. household electrical appliances	5.8
11. jewelry and ornaments	10.9
12. fuel	-1.0

I. Prices of consumer goods for residents	23.1
13. decoration materials for construction	5.8
14. machinery and electrical products	-1.8
III. Price for means of agricultural production	23.3
IV. Purchasing prices of farm and sideline products	35.5

VI. Finance and Insurance

In 1994, all financial institutions in the region conscientiously carried out the central policy of strengthening and improving macroeconomic regulation and control, vigorously and steadily pushed forward financial reform, strengthened financial supervision and management, promptly corrected problems in financial work, made great efforts to obtain deposits as much as possible, promptly increased credit input, and rationally regulated the credit structure, thus playing a positive role in ensuring the purchase of agricultural and sideline products, relaxing the shortage of funds for key construction projects, and giving an effective support to the development of national economy and social undertakings.

By the end of 1994, the balance of deposits by all financial institutions reached 14.04 billion yuan, 3.68 billion yuan more than the previous year, or an increase of 35.5 percent. Of all the deposits, 3.42 billion yuan was from enterprises, 0.75 billion yuan more than at the end of the previous year, or an increase of 27.9 percent. The loan balance of all financial institutions totaled 16.36 billion yuan, 3.01 billion yuan more than at the end of the previous year, or an increase of 22.5 percent. Of this, 10.18 billion yuan was the loan balance of current capital, 1.96 billion yuan more than at the end of the previous year, or an increase of 23.8 percent; 4.89 billion yuan was the credit balance of fixed assets, 0.91 billion yuan more than at the end of the previous year, or an increase of 22.7 percent. The net amount of money put into circulation totaled 1.65 billion yuan, 46.6 percent up against the previous year.

The savings of urban and rural residents grew rapidly. By the end of the year, the balance of savings deposits reached 8.56 billion yuan, 2.42 billion yuan more than at the end of the previous year, more than the sum of increase in 1992 and 1993. The year 1994 was the year of the greatest increase in history.

Insurance developed at an accelerated pace. In 1994, the region's property insurance totaled 12 billion yuan,

down 5.5 percent from the year before. There were 1,859 enterprises taking insurance for enterprise property, 0.15 million households taking insurance for family property, and 0.984 million persons taking personal insurance. In 1994, insurance companies dealt with a total of 19,000 property insurance cases, paid 57.364 million yuan in compensation, and paid 19,004 million yuan in personal insurance payment to 11,000 people.

VII. Science, Education, Culture and Health, and Sports

New achievements were made in scientific and technological undertakings. In 1994, 152 scientific and technological achievements won regional awards for scientific and technological progress, 164 applications for patent rights were received, and 128 patents were granted. The number of scientific and technological personnel gradually expanded. By the end of 1994, there were 123,500 technological personnel of different specialties in the region's state-owned enterprises and institutions, up 2.63 percent over the same period in the previous year. There were 49 institutions for scientific research and development, with a total of 2,200 people engaging in scientific and technological activities, and four for scientific literature institutions with 89 people engaging in scientific and technological activities. The input and expenses on science and technology increased. In 1994, a total of 22.24 million yuan was spent on scientific undertakings, an increase of 27.4 percent over the previous year.

Educational undertaking developed at an accelerated pace. With 10 post-graduate students admitted in the region in 1994, there were 29 post-graduate students in school. Ordinary institutions of higher learning admitted 3,107 students for regular or special courses, down 8 percent over the previous year. There were 10,502 students in the universities and colleges, 898 more than in the past, and 1,082 of them were self-financed. The students in secondary vocational and technical schools totaled 26,428 in 1994, including 14,078 students in mechanical training schools.

Elementary education developed steadily, and the nine-year compulsory education was further popularized. In 1994, there were 438 ordinary secondary schools with 269,000 students, 218,000 of whom were junior middle school students. There were 615,000 primary school pupils, which represents a 95.8-percent admission rate, and the proportion of primary school graduates entering schools of a higher grade was 89.4 percent.

Adult education in different forms and levels developed briskly. In 1994 there were 2,544 students enrolled by adult colleges for regular or special courses (including students admitted to television, correspondence, and evening colleges), an increase of 13.5 percent over the

previous year. The adult students in colleges totaled 6,080, an increase of 21.9 percent, and the adult students in secondary vocational schools totaled 8,642, 2,233 more than in the previous year.

Cultural undertakings were enhanced. By the end of 1994, there were 15 art troupes, 26 cultural centers and community arts centers, 20 public libraries, and three museums and archives. There were 520 movie projection units, 15 broadcast television stations, eight medium- and short-wave radio stations and relay stations, five television stations, and 10 television transmitting and relaying stations with over 1,000 watts of power. The popularity of cable television rose continuously. At the end of 1994 the region produced five teleplays, published 365,000 copies of newspapers, 384,000 issues of magazines, and 16.74 million books.

In 1994, reform of the medical fee system was widely carried out all over the region, and new developments were seen in public health undertakings. By the end of 1994, there was a total of 12,307 hospital beds, up 4.4 percent over the previous year, and 15,215 professional health workers, up 15.4 percent over the previous year. Of these, 6,591 were doctors, an increase of 26.4 percent, and there were 13.1 doctors for every 10,000 persons.

New successes were scored in sports. In 1994, athletes of the region won seven gold medals, nine silver medals, and eight bronze medals in various national games. Eleven athletes broke regional adult and youth records on 14 occasions. Mass sports activities were carried out briskly. Pupils and students did their best to reach the "state qualifications for sports," and 88 percent of them qualified.

VIII. Population and the People's Life

Family planning work yielded results. According to a sample survey conducted among the population of the region in 1994, the birth rate of the population was 19.67 per thousand, the death rate was 6.02 per thousand, and the natural increase rate was 13.65 per thousand. If calculated this way, the population of the region would have been 5.038 million by the end of 1994, 85,000 persons more than the previous year, an increase of 1.72 percent. As the mobile population increased substantially, the increase speed was up by 0.06 percentage points. The Hui population totaled 1.692 million, an increase of 2.28 percent.

The residents' income increased considerably, and their standard of living improved further. With the implementation of reform measures, such as reform of the wage system for administrative units and institutions and price increases for farm and sideline products, the residents

in urban and rural areas gained much benefit. According to the sample survey, in 1994, the urban and rural residents' per capita income for living expenses was 2,658 yuan, an increase of 39.4 percent. After allowing for the price factor, this represents an actual increase of 11.7 percent, making this a year of fairly rapid growth in recent years. The per capita income of peasants was 910.50 yuan, 243 yuan more than the previous year, an increase of 36.5 percent. After allowing for the price factor, this represents an actual increase of 6.2 percent. The situation in recent years, in which an increase in production did not lead to an increase in peasant income was reversed, and the peasant income reached a new level. However, the living standard and actual income of some low-income residents dropped, while the income gap between high-income and low-income households kept on widening and accelerating.

Employment in the cities and towns continued to expand. In 1994 the region arranged jobs for 31,300 people. Since the population in the cities and towns increased substantially, the unemployment rate at the end of the year was 5.17 percent, up 1.17 percentage points. The workers in the region totaled 723,000 persons at the end of the year, 4,000 persons more than the previous year, or an increase of 0.56 percent. The workers in state-owned enterprises totaled 604,000 persons, a reduction of 2,000 persons, or a drop of 0.37 percent; the workers in collective enterprises were 103,000 persons, a drop of 3.16 percent. Further achievements were made in the labor contract system, and the number of contracted workers totaled 135,000 at the end of 1994, accounting for 18.7 percent of the total number of workers in the cities and towns. The number of employed workers in private enterprises and self-employed workers totaled 47,000, an increase of 7,000 over the end of the previous year.

Along with the reform of the labor and wage system, the workers' wage level continued to rise. In 1994, the total payroll of the entire region was 3.067 billion yuan, up 32.5 percent against the previous year; the average salary of workers was 4,270 yuan, an increase of 32.3 percent. After allowing for the price factor, this represents an actual increase of 6 percent.

The housing condition of residents in the cities and towns continued to improve. There were 1.426 million square meters of newly-built houses in cities and towns, and 2.188 square meters in the countryside, and the per capita living space of urban and rural residents was 11.02 and 16.3 square meters respectively.

Social welfare undertakings developed. In 1994, social welfare centers of all types in the region had 3,140 beds and accommodated 1,752 persons. There were 259,000 persons receiving state relief. The network of social services and security developed rapidly.

The protection of the environment developed rapidly. In 1994 there were 617 persons engaged in environment protection undertakings all over the region, 14 environmental monitoring stations, and 200 environmental monitors. Some 72 pollution sources were controlled within a time limit. The area having a controlled noise level totaled 356,000 square meters. The region completed the construction of 30 urban areas, with a total area of 49.5 square km, with a controlled smoke and dust pollution level.

Note: The gross domestic product, the total output values of all trades, and the absolute figures of various added value indexes in this statistical report are calculated in terms of current prices, and the increase rates are calculated in terms of comparable prices.

Xinjiang Chairman Speaks on Fighting Drug Abuse
*OW2206173395 Urumqi Xinjiang Television Network
 in Mandarin 1330 GMT 15 Jun 95*

[Announcer-read report over video from the "Xinjiang News" program]

[FBIS Translated Text] A news conference was held today in Urumqi on the Xinjiang Autonomous Region's antidrug publicity month and a crackdown on narcotics abuse. [Video shows Abdulahat Abdurixit speaking from a prepared manuscript]

In his speech, Abdulahat Abdurixit, chairman of the regional people's government, urged leading cadres at all levels to enhance their sense of mission and urgency in the fight against drug abuse, exercise more effective leadership, implement effective antinarcotics measures, and firmly halt the spread of narcotics abuse.

Abdulahat Abdurixit said: Effective leadership over drug abuse prevention should be reflected in a mobilization of the masses for a people's war against narcotics. We should embrace the guiding principle of putting prevention first and uniting prevention and stopping drug habits. It is necessary to crack down hard on criminals and criminal rings engaged in the production and sale of narcotics and do all we can to prevent new drug abusers.

Drug abusers must undergo compulsory drug rehabilitation and those who have started abusing narcotics again after undergoing compulsory drug rehabilitation may be sentenced to rehabilitation through labor. We should intensify investigation of illegal growing of poppies and other crops that are used for making narcotics. Those

who are caught growing such crops should be punished severely according to the law. Those who have been repeatedly caught extracting marijuana to manufacture narcotics should be punished according to the law.

U.S. To Lift Economic Sanctions Against Taiwan

*OW2306014395 Taipei CNA in English
0120 GMT 23 Jun 95*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — The Clinton administration is expected to lift the economic sanctions against Taiwan that have been in effect since last August, an official at the Ministry of Foreign Affairs said Thursday.

"It's only a matter of time," the official said, citing sources in Washington.

The Clinton administration banned a wide range of Taiwan products, including live goldfish and tropical fish, bird feathers, edible frogs and items made from reptile skin, to punish Taiwan for its failure to stem the illicit trade in rhino horns and tiger parts. Taiwan's exports to the United States have been reduced by an estimated US\$20 million because of the sanctions.

The ROC [Republic of China] is the sole country in the world currently facing a partial trade ban by the U.S., which invoked the sanctions under the Pelly Amendment of the Fishermen's Protective Act of 1976.

Saying the punitive measures have dealt "a great blow" to image-conscious Taiwan, the official said the government has given top priority to eliminating the sanctions over the last few months.

Its efforts have included stepping up crackdowns on the illegal trade of endangered species and amending the Wildlife Conservation Law. Under the amendment, people who illegally trade in endangered species could be jailed for a maximum of five years and/or fined NT [new Taiwan] \$1.5 million (US\$58,140), up from a two-year sentence and/or NT\$60,000 fine.

Taiwan's progress in wildlife protection impressed an American official when she visited Taiwan in March on an inspection trip. After her visit, the Clinton administration for the first time said it would consider revoking the sanctions.

Senior Mainland Official To Visit 23 Jun

*OW2206114795 Taipei CNA in English
0905 GMT 22 Jun 95*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — A senior Mainland Chinese information officer is scheduled to arrive in Taipei Friday [23 June] for an eight-day visit, breaking an impasse in cross-Taiwan Strait exchanges following Beijing's unilateral decision to postpone a planned high-level meeting to vent its anger at

ROC [Republic of China] President Li Teng-hui's recent landmark visit to the United States.

Zhang Mingqing, director of the Information Department of the Taiwan Affairs Office under Mainland China's State Council, will come to Taiwan together with a group of mainland media executives and senior journalists at the invitation of CNA.

Zhang, concurrently propaganda chief of the Chinese Communist Party's Taiwan Affairs Office, will be the highest-level mainland official to visit Taiwan since the Republic of China Government opened its door to mainland officials in charge of Taiwan affairs last year. Taiwan previously banned any official contacts with the mainland.

Zhang's visit indicates Taiwan's policy toward the mainland is increasingly open, local observers said, adding Beijing's approval of Zhang's Taipei trip also reflects mainland authorities' determination to continue cross-strait exchanges regardless of bilateral political differences.

Zhang was a professional journalist before he assumed his current post. He worked with the PEOPLE'S DAILY [RENMIN RIBAO] for many years and used to head the paper's Fujian branch.

The mainland journalist mission, to be headed by Guo Rui, president of Beijing-based China News Service, will arrive in Taipei Friday evening via Hong Kong. This will be Guo's first visit to Taiwan. He once served as a department chief at the State Council's Overseas Chinese Affairs Office.

While here, the group will visit major news organizations and call at the Straits Exchange Foundation, a semi-official body formed by Taiwan authorities to handle exchanges with the mainland in the absence of official contacts. The group will also visit major cultural institutions around the island.

The mission members include senior executives and journalists from the PEOPLE'S DAILY, the LIBERATION DAILY [JIEFANG RIBAO] and several other major mainland papers.

Taiwan To Study Qian's Statements on Hong Kong

*OW2306014895 Taipei CNA in English
0132 GMT 23 Jun 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — The Mainland Affairs Council (MAC) on Thursday reiterated the Republic of China [ROC]'s established policy that the sustained development of Hong Kong

and Macao should be continued after they two colonies revert to Mainland Chinese rule.

MAC Vice Chairman Kao Koong-lian said Taiwan would carefully study the comments made Thursday by mainland Chinese Vice Premier Qian Qichen's on Hong Kong-Taiwan relations after the British colony reverts to Beijing rule in 1997. Qian said Taiwan agencies in Hong Kong could remain, and that cultural, educational, trade and civilian exchanges, as well as air and sea links, would continue.

Kao said the MAC would not offer a quick response to Qian's remarks, which he claimed were prepared well in advance.

He said Taiwan wants to keep its various exchanges and flight and marine-transport links with Hong Kong and Macao the same after 1997 as they are now, and added that Taiwan hopes to cooperate with the Chinese mainland in concerted efforts to bolster development and progress in the two colonies.

Hong Kong, a British colony for more than 150 years, is the most important entrepot for trade, investment and travel between Taiwan and Mainland China in the absence of direct cross-Taiwan strait contacts.

Meanwhile, the Ministry of Foreign Affairs would not comment on Qian's seven-point statement, made Thursday during a meeting in Beijing on Hong Kong's future.

Currently, Taiwan maintains several unofficial organizations in Hong Kong, including the Foreign Ministry's Chung Hwa Travel service, the government information office's Kwang Hwa Information and Culture Center, and an affiliate of the Chinese refugees relief association.

In Hong Kong, Chiang Su-hui, director of the Kwang Hwa Information and Culture Center, welcomed the Qian statement. She said the statement provides room for further thinking between the two sides on details about Taiwan-Hong Kong relations after 1997, and added that she hoped the two sides could talk sincerely on the issues.

Chiang, a member of the ROC National Assembly, said Taiwan agencies would stay in Hong Kong after 1997 and continue operating under the "one China" principle.

Commenting on Qian's statement that air links between Taiwan and Hong Kong will be managed on a "special-district-flight" basis after 1997, Taipei's Civil Aviation Administration said the agency will insist on "fair and reciprocally beneficial" principles in observing future Taiwan-Hong Kong air-transport rights.

It said the Taipei-Hong Kong and Kaohsiung-Hong Kong air routes have always been treated as "special routes" rather than domestic or international routes due to unique relations among Taiwan, Hong Kong, and the Chinese mainland.

Further Reportage on Lien Chan's European Trip

Ends European Tour

*OW2206143995 Taipei CNA in English
1027 GMT 22 Jun 95*

[By Lillian Li and Sofia Wu]

[FBIS Transcribed Text] Frankfurt, June 21 (CNA) — ROC Premier Lien Chan Left Frankfurt for home Wednesday night, ending his week-long three-country European tour, which took him to Austria, Hungary and the Czech Republic.

Lien, accompanied by his wife and a small entourage, flew into Frankfurt at around 8 p.m. Wednesday from Prague for a brief transit stop.

Lien was in high spirits upon his arrival at the Frankfurt airport, telling a group of Taiwan reporters covering his European tour that he was satisfied with the ground breaking European visit. "The trip was fruitful and satisfactory," he said.

Lien, however, would not go into detail, saying he will brief the press on his European tour at a news conference to be held upon his return to Taipei.

Lien dined with ROC Representative to Germany Charles Shu-chi King and other officials stationed here during his two-hour transit stop at the Frankfurt airport. Some senior executives from major German enterprises were reportedly also present at the dinner.

On Wednesday morning, Lien met with Czech President Vaclav Havel at the Presidential Office for wide-ranging talks, bringing his three-day Czech Republic visit to a dramatic end.

Lien said during a luncheon with Taiwan reporters in Prague after his meeting with Havel that the poet-turned Czech president is a respectable politician with vision and a generous mind.

Lien said both he and Havel agreed that commercial and cultural exchanges between Taiwan and the Czech Republic should be strengthened. "I hope Havel will visit Taipei in the near future," he added.

During his stay in Prague, Lien also met with Czech Prime Minister Vaclav Klaus and delivered a speech on the importance of education, prosperity and democracy to Taiwan's development.

Lien was accompanied by government spokesman Jason Hu, Education Minister Kuo Wei-fan and several other officials on his European tour.

Lien's European visit came shortly after ROC President Li Tenghui's much publicized visit to the United States. Both were considered big breakthroughs in Taiwan's bid to upgrade its international profile.

Comments on Trip

OW2306021295 *Taipei CNA in English*
0203 GMT 23 Jun 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — Premier Lien Chan said Thursday upon his return from a trip to Europe that his visit was in no way intended to create "two Chinas," or "one China, one Taiwan" as claimed by Beijing.

"The government's basic stance is very clear — that the ROC [Republic of China] Government is vying to seek the unification of China," Lien said, calling Beijing's repeated accusation that Taipei is trying to create two Chinas a "mistaken tune."

"Today in the Taiwan area we have no other alternative but to continue seeking a greater space in the international community," Lien emphasized. "It is hoped that the basic stance could be better understood by the mainland authorities."

He made the remarks at a 30-minute press conference shortly after his return from a seven-day tour of Europe. The three-leg trip took him and a small entourage to Austria, Hungary and the Czech Republic.

In the Czech Republic, Lien, the highest ROC Government official to visit Europe in many years, met with his counterpart, Vaclav Klaus, and with Czech President Vaclav Havel.

The visit, on the heels of a visit to the United States by President Li Teng-hui for a class reunion at Cornell University, enraged Beijing, which maintains official diplomatic links with Prague. The Chinese Communists filed a strong protest to the Czech Government, scrapped the plan to ink a bilateral cooperative agreement, and shortened the stay of an education mission to that country.

Asked to comment on Beijing's unilateral announcement to postpone the second round of high-level private talks between Taiwan and Mainland China, originally slated for July, Lien replied that the talks are of significance to both sides because they are designed to address issues arising from private cross-Taiwan strait

exchanges. "I hope the talks will resume as early as possible."

While in Prague, Lien received an honorary citation from Charles University, where he also delivered a speech on the formation of the ROC's educational system and the role it has played in prompting greater prosperity and democracy for the ROC.

A humble Lien attributed the honor to Taiwan educators, calling it an affirmation of their contributions and devotion to the educational system.

When asked how the ROC should forge closer links with Europe, Lien, while saying the ties should be promoted on every front, suggested that efforts be focused on economic exchanges and trade.

He said the three countries he visited realize the ROC is a country that must be taken into account. He also urged local enterprises to invest in the Czech Republic and Austria, which have strong machinery, steel and chemical industries.

Lien said he believes there is ample room for the development of trade ties with the Czech Republic and Austria, given the ROC's status as the world's 14th-largest trading nation and the 12th-largest investing nation. Two-way trade between the Czech Republic and the ROC in 1994 totaled some US\$150 million, which accounted for a negligible 0.1 percent of Taiwan's total external trade.

Hungary has also demonstrated dynamic strength in trade following the demise of communism in that country, Lien added.

On hand to welcome Lien were Vice Premier Hsu Li-te and Wu Poh-hsiung, secretary-general of the Presidential Office, and other ranking government officials.

Cross-Strait Meeting May Be Held Soon

OW2206132795 *Taipei CNA in English*
1020 GMT 22 Jun 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — Vice Premier Hsu Li-te said Thursday he believes a planned high-level cross-Taiwan Strait meeting will be held in the "not too distant future," and the current cross-strait exchange impasse will be resolved gradually.

Hsu made the statement while meeting with a group of Kuomintang legislators who asked how the Republic of China [ROC] Government will balance its pragmatic diplomacy and cross-strait reactions in the wake of Beijing's unilateral decision to postpone the second "Koo

[Ku]-Wang meeting" originally scheduled to open Beijing on July 20.

Beijing announced its decision to postpone the planned meeting between C.F. Koo, Chairman of Taipei's Straits Exchange Foundation, and Wang Daohan, Chairman of Beijing-based Association for Relations Across the Taiwan Strait, to vent its anger at ROC President Li Teng-hui's much-publicized private visit to the United States in early June. The announcement brought the delicate cross-strait relations to a low ebb.

Noting that Taiwan needs a place in the international community, Hsu said Li's U.S. visit aims to highlight the ROC's continued existence in Taiwan, not to create "two Chinas."

"Our ultimate goal is to pursue China's eventual unification under freedom and democracy," he stressed, adding he hopes Beijing leaders will be more open-minded and handle cross-strait affairs in a calm, rational manner to avoid unnecessary squabbles and conflicts.

With cross-strait commercial exchanges expanding rapidly, Hsu said, Taiwan and the mainland have become economically interdependent, and both sides will suffer if normal bilateral exchanges are cut. Taiwan businessmen have poured more than \$10 billion into the mainland for various investment projects and cross-strait trade exceeded US\$20 billion last year.

Against this background, Hsu said he believes the current impasse in cross-strait ties will not last long and clouds surrounding the planned Koo-Wang meeting will be cleared soon.

Hsu further said long-term cross-strait ties require painstaking effort to cultivate and foster. "Wishful thinking and unilateral illusion can do no good to cross-strait ties," he added.

Hsu also pointed out that cross-strait relations are very important, but not the only factor in Taiwan's future development. While taking into consideration any possible mainland reaction, Hsu said the ROC Government must also continue promoting pragmatic diplomacy to win a decent place in the international community. Without world recognition, how can we survive in the world arena?" he asked, adding that maintaining a balance between pragmatic diplomacy and cross-strait harmony is a task Taiwan will face constantly.

Hsu was the highest level ROC official to speak on cross-strait relations since Beijing's announcement of its decision to postpone the second Koo-Wang meeting.

On domestic issues, Hsu said, Taiwan must accelerate economic liberalization and internationalization to fa-

cilitate its ambitious bid to become regional operations center in the Asia-Pacific.

"Taiwan has the potential to become a regional business hub, but if we fail to take bold moves to complete legislation of new law or emend existing regulations to attract multinational conglomerates to Taiwan, we'll lose competitiveness and our business-hub development plan will remain a pipe dream," he warned.

On a rumored cabinet reshuffle in September, Hsu said he knew nothing about such a proposal. "As far as I know, Premier Lien Chan has no plans to reshuffle his cabinet," he said.

All the legislators who met Hsu Thursday morning are members of the Hieh Ho Association, a subgroup in the Legislative Yuan. Its members all belong to the ruling Kuomintang.

Ministry To Seek Capital From Hong Kong, Macao
OW2206113695 *Taipei CNA in English*
0921 GMT 22 Jun 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — The Ministry of Economic Affairs (MOEA) will encourage Hong Kong and Macao enterprises to invest in Taiwan after the colonies revert to Communist Chinese rule.

The ministry has mapped out a series of measures to strengthen economic, trade and personnel exchanges among Taiwan, Hong Kong and Macao and to engage in the coordination and assistance of related foreign investment.

Vice Minister of Economic Affairs Yang Shih-chien said that his ministry will form a Hong Kong and Macao investment task force that includes the vice chiefs of the Industrial Development Bureau, Board of Foreign Trade, Investment Commission, Medium and Small Business Administration, Mainland Affairs Council and Overseas Chinese Affairs Association.

Yang said his ministry will encourage Hong Kong's multinational enterprises to form strategic alliances with Taiwan enterprises and participate in the planning of Taiwan's major construction projects to further heighten their investment willingness.

To reach the goal, the MOEA will hold investment seminars in Hong Kong and Macao and invite policy-makers of the enterprises there to visit Taiwan to inspect the investment climate in order to strengthen substantial commercial links with them, Yang noted.

Currently, the Chinese National Federation of Industries is cooperating with its Hong Kong counterpart to

establish an economic and trade cooperation committee to hold joint economic conferences in Hong Kong and Taiwan. Business leaders can use the conferences to establish communication channels and exchange information, Yang said.

Yang said the task force will also recruit Hong Kong professionals in the banking, securities, insurance, trade, transportation, telecommunications and advertising fields as well as urge the international media to boost their presence in Taiwan.

To help Hong Kong enterprises collect the latest information about Taiwan, the MOEA has written a petition paper and produced related promotional videotapes introducing Taiwan's investment climate and regulations.

The ministry will also simplify the investment procedures for Hong Kong and Macao enterprises as well as shorten the time for investment approval to facilitate investments from the two colonies.

High-Tech Island Part of Asia-Pacific Hub Plan

OW2206120895 Taipei CNA in English
1001 GMT 22 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — The government will push for the establishment of 17 intelligent industrial parks in Taiwan to realize its goal of becoming an Asia-Pacific operations hub. Minister of Economic Affairs P.K. Chiang said Thursday.

Chiang said that the parks will be set up in the southern, central and northern parts of Taiwan, and help develop Taiwan into a hi-tech island.

The establishment of the intelligent industrial parks will provide excellent management and service for Taiwan's burgeoning hi-tech industry, he said, adding that the 17 parks will cover a land area of 3,294 hectares and the private sector will be responsible for development of three of the parks.

The plan also envisages the establishment of three science industrial parks, three hi-tech industrial parks, three software industrial parks, two aeronautic industrial parks, one biotechnology industrial park, one park for launching businesses, and four research parks.

The Executive Yuan also predicted that the government will sign strategic alliance agreements with five to 10 multinational conglomerates each year to lure enterprises to set up their Asia-Pacific hubs here.

The Yuan said that if an enterprise's investment in Taiwan reaches a certain amount, the government will consider extending a five-year tax break.

Legislative Elections Tentatively Set For 2 Dec

OW2306020395 Taipei CNA in English
0105 GMT 23 Jun 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 22 (CNA) — Legislative elections have been preliminarily scheduled for Dec. 2, the Central Election Commission announced Thursday.

Some 400 candidates from the ruling Kuomintang, major opposition Democratic Progressive Party, Chinese New Party and other parties are expected to vie for some 160 parliamentary seats.

Of the 160 seats, six will be set aside for aborigines and six for Overseas Chinese communities, and 30 will be "nonregional" seats, commission officials said.

This will be Taiwan's third legislative election. The last was held Dec. 16, 1992. The tenures of the current crop of legislators end on Jan. 31, 1996.

The legislators elected in December will be sworn in on Feb. 1, 1996 for three-year terms.

The country's first popular presidential and vice-presidential elections are set for March next year. National Assembly elections will be held simultaneously, commission officials noted.

Further WTO Round Completed With Tokyo

OW2306103095 Taipei CNA in English
0925 GMT 23 Jun 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, June 23 (CNA) — Taiwan and Japan completed another round of talks on agricultural products and alcohol and tobacco imports, facilitating Taiwan's bid for membership in the World Trade Organization (WTO), Board of Foreign Trade officials said Friday.

During the talks in Tokyo Thursday, the Japanese side revised its list of demands to cut tariffs from 339 items to 143 items and said it is most concerned about Taiwan import tariffs on 17 items, including rice, fruit, potatoes, eggs, vegetables and fishery products.

Taiwan has agreed to adopt the Japanese model for rice imports. It will allow rice imports up to 4 percent of its annual consumption in the first year of its WTO membership and the percentage will gradually increase to 8 percent within six years.

As for alcohol and tobacco products, Japan wants more information on import tariffs after Taiwan becomes a

WTO member. Taiwan has promised that it would allow the import of Japanese sake after WTO entry.

The officials said that the talks were held in an amicable atmosphere but did not achieve substantial results.

The next round of talks with Japan will focus on industrial product imports, such as auto tariffs and textile products, the officials said.

Farming To Face 'Keen' Competition in WTO

*OW2306102895 Taipei CNA in English
0944 GMT 23 Jun 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, June 23 (CNA) — Taiwan's agricultural sector will face keen competition after Taiwan becomes a member of the World Trade Organization, the China External Trade Development Council (CETRA) said Friday.

After Taiwan lifts non-tariff barriers on imported agricultural products, domestic sugar cane, peanuts, adzuki beans, garlic, mushrooms and potatoes will face stiff competition from low priced foreign imports, CETRA officials said.

They urged the government to be careful in opening markets as peanuts, adzuki beans and garlic are major agricultural products in eastern Taiwan and there are no substitute crops for farmers there.

Locally-produced grapes, oranges and tangerines, longans and lichees may still be competitive on the market, they said. But temperate fruits such as the oriental pear, peaches, plums, grapefruit and apples, as well as bananas, mangoes, guava, pomelos and coconuts will not be able to compete against foreign imports.

Taiwan's fishery industry may be competitive in some areas, but production of mackerel and cuttlefish will be threatened by high-quality and low-cost imports from Europe, Japan and South Korea, they added.

The hog and chicken industries will also suffer as pork and poultry prices are more than double the price of foreign imports.

EU Officials To Promote European Motorcycles

*OW2306021095 Taipei CNA in English
0135 GMT 23 Jun 95*

[By P.C. Tang & debbie kuo]

[FBIS Transcribed Text] Brussels, June 22 (CNA) — A three-member mission from the European Union are scheduled to fly into Taipei on Saturday to learn more about Taiwan's motorcycle market and related

regulations so that European makers can make greater inroads there, sources from the EU said Thursday.

Richard Wright, a section chief with the EU's Executive Commission, along with an aide and a representative of the European Automobile Association will discuss Taiwan's regulations on imports of 150cc-and-larger motorcycles with relevant government officials.

The group will also brief related Taiwan agencies on the EU's auto-inspection regulations and mutual-verification systems, the sources said.

Singapore Government Invests Further in Bourse

*OW2306102995 Taipei CNA in English
0905 GMT 23 Jun 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 23 (CNA) — GIC, Singapore's Government Investment Company, has received permission to remit an additional US\$100 million into the Taiwan stock market, the Central Bank of China (cbc) said Friday.

GIC was allowed to remit more funds into the Taiwan bourse because the company has already invested US\$200 million, the ceiling for any single foreign institutional investor, and most of the remittances were used only in the stock market, rather than for time deposits, purchase of financial instruments or government bonds, CBC officials said.

The CBC welcomes capital from foreign institutional investors as part of Taiwan's financial-liberalization efforts. The foreign institutional funds, however, are not open to unlimited investment to ensure Taiwan's financial security, the official said.

Foreign institutional investors are eligible to remit additional funds into Taiwan if their original inbound capital reaches US\$200 million, more than 75 percent of the remittance is used for stock investment and their funds are for long-term investment, according to CBC regulations.

The minimum single foreign institutional investment was set at US\$5 million.

During the last couple of years the GIC has been an enthusiastic investor in Taiwan stock market, with its remittances always being "full capacity" as Taiwan gradually raised the ceilings from US\$50 million to US\$108 million and US\$200 million.

Two other foreign institutional investors are expected to follow suit shortly, CBC officials said.

Currently, aggregate overseas investment is allowed to reach 12 percent of Taiwan's market capitalization, which reached US\$24.17 billion on May 31.

About US\$4.93 billion in overseas money has been remitted for local stock investment, while another US\$6.24 billion in approved investment has yet to come in, thereby leaving ample room for more stock investment from abroad, the officials said.

Against this background, they said, the government need not consider raising the ceiling on foreign stock investment at the moment.

Council's Tehran Office Receives New Name

*OW2306020995 Taipei CNA in English
0152 GMT 23 Jun 95*

[By P.Y. Kuo and Flor Wang]

[FBIS Transcribed Text] Riyadh, June 22 (CNA) — After lengthy negotiations with Tehran, the Iranian Government has finally agreed that the Taipei-based China External Trade Development Council [CETRA] office in Tehran can change its name to the Taiwan Trade Center, a CETRA official said here on Thursday.

Chen Yen-chu, director of the CETRA office in Tehran, said the new name more accurately reflects and highlights the trade center's services and functions.

As Tehran maintains quite close relations with Beijing, the name change was strongly opposed by Beijing, according to Chen. But the Iranian Government finally agreed to the change because of Tehran's interest in promoting closer trade and commercial ties with Taiwan and due to the outstanding performance of the office, he noted.

Two-way trade between Taiwan and Iran has been developing rapidly in the past few years. Last year, Taiwan exported about US\$43 million worth of products to the Middle East country, while Iranian exports to Taiwan hit US\$310 million. Iran is also one of Taiwan's major oil suppliers.

Food Show Attracts Firms From 27 Countries

*OW2306102795 Taipei CNA in English
0932 GMT 23 Jun 95*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, June 23 (CNA) — The 1995 Taipei International Food Industry Show kicked off Friday at the World Trade Center with more than 500 companies from 27 countries and areas participating.

Taiwan is opening its market wider to foreign food imports as part of its effort to join the World Trade Organization. As a result, more overseas companies are eyeing the island for potentially lucrative businesses, according to officials of the China External Trade Development Council (CETRA), sponsor of the foods show.

Visitors can see new food products and find new attractions at the show, which will feature quality foods from quality processing equipment, health foods and gourmet foods.

A total of 140 foreign companies from 26 countries are displaying their agricultural and food products in 180 booths. The United States, Australia, New Zealand, South Korea, Canada, Colombia and Germany have constructed individual "national halls," trying their best to impress Taiwan customers.

The U.S. and Australia are the two leading exhibitors with 60 booths and 32 booths respectively. New Zealand and Colombia are taking part in the show for the first time.

At the show, foreign traders are displaying a dizzying variety of food products, including coffee, beer and fruits from Colombia; seafood, ostrich and turkey meat, and ice cream from the United States; beef, dairy products and seafood from Australia; as well as ginseng and beer from South Korea.

In the domestic camp, a total of 360 companies are showing off their products in some 1,200 booths, with the "ROC hall," jointly run by the Council of Agriculture and the Taiwan Provincial Farmers Association, the main attraction.

Meanwhile, 165 related industries are promoting their products at the show, including food processing machinery, packing machines and frozen food equipment.

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